Eight Pages on Kirkland Lake Gold Stocks

THE FINANCIAL POST

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The Nation's Business

Georgian Bay Canal

Power Belongs to the Provinces

They Should Decide on Its Leasing

Salvation Army Proposes New Plan

WITH the press of the country almost unanimously opposed to the renewal of the charter of the Georgian Bay Canal Company it is little short of amazing that Parliament has taken so long to decide what to do with the bill for renewal. Had the holders of the old charter utilized it for any substantial development work, the country would have been obligated to consider a renewal of the charter. But as the old charter was never utilized the promoters have put themselves out of court; they can claim no favors; they must be content to have their application dealt with just as though it were an entirely new application for such a charter. And viewed thus dispassionately, the request for the charter has features about it that make it desirable that it should not be granted on the terms suggested.

* * *

IF PRIVATE capital were ready to build a canal from Montreal to Georgian Bay without asking for government loans, guarantees or advances and were ready to operate that canal as a private business enterprise charging a moderate, regulated, toll there could be no possible objection. But the Georgian Bay Canal promoters—Sir Clifford Sifton, Winfield B. Sifton, Harry Sifton and their associates—have not led any one to believe that that is what they want. They might build such a canal, but primarily their attention would be centred upon the development of water power along the route of the canal. The whole question then of the charter must be considered upon the point of the justice, expediency and soundness of the proposal for a federal grant of approximately 1,000,000 horsepower of electrical energy in the provinces of Quebec and Ontario to the promoters of the Georgian Bay Canal Company.

There has been much talk of the dangers of allowing water power resources to get into private control. This is beside the point. Private capital is already successfully developing power on the Ottawa River; in the Lake St. John district; in the St. Maurice Valley and at numerous other points in Canada and is providing good service at a moderate charge; is paying large sums in taxation and water rentals and is giving the necessary power impetus to industrial development. There is no objection to the private development of the million horsepower of electrical energy now going to waste along the route of the proposed canal. Such a development would give great stimulus to the development of a rich hinterland. And we have already discovered that private development of water power in Canada produces electrical energy at lower cost than public ownership.

* * *

BUT is it properly the function of the Dominion government to contract with any one for the development of water power in Ontario or Quebec; to transfer water resources to any body, public or private, for development? This is the important question in the present controversy; more important than any question of the bona fides of the present promoters; of their use or disuse of the charters they have had in the past; of the question of private or public ownership of the development; of the alleged fight between the Sifton group and the National Hydro Electric Co., the Holt-Aldred group.

Ontario has protested very strongly against the interference of the Dominion government in what it considers its jurisdiction, that of controlling the development of water power resources. Ontario will carry its case to the courts and will no doubt be joined by Quebec in the protest against the invasion of provincial rights.

Precedent—if not law itself—confers upon the provincial governments of Canada full control over their water power resources, just as it gives the Dominion government control over navigation developments. The exceptions are the prairie provinces which do not control their natural resources. When the Georgian Bay Canal Company was what its name suggests, its charter was a Dominion affair. But since we have learned to recognize the value of power resources and the present charter becomes a charter to develop power rather than a charter to build a canal, the matter can not be settled without action by both Ontario and Quebec. Let Ottawa grant a canal charter if it likes, but let it leave to Ontario and Quebec the granting of the power rights. Whether the provinces would grant those power rights to the Siftons or not is beside the point. The chances are that they would not, but in any event the whole matter would

(Continued on page 16)

GUNNS PREFERRED HOLDERS RECOVER THIRD OF CAPITAL

Calling of New Stock Closes Chapter for Investors in Packers

FINANCING IS MOOTED

New Directorate Wished to be Freed of Conditions of Stock When Making New Offering

All but about 250 of the 5,000 preferred shares of Gunns, Ltd., new company, have been redeemed at the Chartered Trust & Executor Co., Toronto, at $103.50. This sum represents par and the first half-yearly interest on the stock which was issued only a few weeks ago.

Harris Abattoir interests have put $1,200,000 cash into Gunns Ltd., in addition to the $517,500 necessary for the redemption of the preferred, which was held by about 500 shareholders in Canada, the United States and Britain.

It is expected that the new company will make another offering of preferred stock or bonds within the next few weeks.

It is explained in behalf of Gunns Ltd. and Harris Abattoir, that the directors called the preferred because it was deemed advisable, in view of the necessity for further financing, not to have to refer the question to the preferred shareholders. The new preferred had no voting rights, in ordinary circumstances, but the consent of the holders would have been necessary before bonds or a prior preferred could have been issued.

Scale Down Capital

Gunns, Ltd., reorganization was agreed to by the shareholders at a meeting last September. A few weeks later, Frederick Lucius, of Montreal, claiming to be acting for preferred shareholders, obtained an injunction which delayed the reorganization. This injunction was later dissolved by voluntary agreement. Mr. Lucius abandoned his contention that the best interests of the preferred shareholders would be served by liquidation of the company.

The basis of the reorganization was as follows:

> The $1,500,000 of preferred stock which had voting rights by virtue of arrears of dividends was scaled down to $500,000 of preferred of the new company, this new preferred to be non-voting and callable at par and accrued dividend at the discretion of the directors.
>
> The common stock of the old company was wiped out. The common of the new company, 3,000 shares of no par value, was left in the hands of Gideon Grant, K.C., the company's solicitor, to make the best bargain possible with any other company or companies which he might be able to interest in the property.

Recover One-Third

A month ago it was announced that Harris Abattoir had guaranteed the obligations of Gunns Ltd. The new preferred certificates were forwarded on January 1st. Soon after, shareholders received notice that, in accordance with the charter, the preferred stock of the new company had been called. It is understood that the common shares of Gunns Ltd., are now held by Harris Abattoir.

Reorganization of Gunns Ltd., is said to have become imperative prior to September and that if the preferred shareholders had not agreed to the plan proposed, involuntary liquidation would have been inevitable and immediate. In the opinion of persons who had intimate knowledge of the financial position of the company, liquidation would have destroyed the possibility of preferred shareholders recovering any part of their investment.

By this redemption of the new preferred, the shareholders recover one-third of the par value of their original investment. They lose the arrears of the dividends on the old preferred from February 1, 1921.

Manufacturers Meet in Calgary This Year

CALGARY.—It is understood that the fifty-third annual convention of the Canadian Manufacturers' Association will be held in Calgary, Alberta, early in June. A very important agenda will be presented. It is planned to run special trains from the east to accommodate the delegates.

J. M. Taylor, of Taylor-Forbes Company, the president of the association will be in the chair. W. S. Fallis, the 1st vice-president is slated for the presidency.

To Offer Preferred of Massey-Harris to Public at 109

A Toronto investment house, it is said, shortly will offer about 30,000 preferred shares of Massey-Harris Co. at 109 and accrued dividend. This is the preferred of the block of preferred and common acquired by the Bradshaw-Gundy syndicate a few weeks ago.

The common, it is understood, is being gradually placed on the market at above 115. The shareholders March 4th approved the splitting of the common shares of $100 par value into four of no-par value. The new no-par shares will carry one vote for every four shares held.

The syndicate buying the shares from the Massey Foundation and various estates paid $100 a share for the common and $105 for the preferred. The preferred will thus be turned over at only a slight profit, as the transaction has taken place between dividend periods. The Canadian Bank of Commerce advanced the cash necessary to the transaction.

TARIFF CHANGE BENEFITS AUTO PART MAKERS

Much Business Will Result From Drawback Ruling Effective April 1

BOOTH BRASS GROWS

Manufacturers of automobile parts and accessories in Canada will benefit to the extent of several million dollars of business owing to a change in the tariff to take effect at the beginning of next month, whereby the 25 per cent. drawback on the import duty of these products, applicable when 40 per cent. of the total cost of the motor vehicle represents work done or materials supplied from within the Dominion, becomes effective only when at least half the total cost is expended in Canada.

This change was made in the Robb budget last year and at the time little attention was paid to the measure. It was done in order to put Canadian manufacturers in a position to comply more fully with the terms of the British preferential trade agreements, about which some of the Dominions had been complaining. Consequently producers will now have to purchase a larger share of their parts and accessories in this country if they are to take full advantage of this drawback.

Important Move

The importance of this move may be realized from the fact that last year over 200,000 motor vehicles, valued at $124,217,074, were turned out by Canadian plants. The year before, production amounted to 162,221 units, worth $103,541,751. Comparison with previous years is equally favorable. After April 1st, therefore, the amount of money spent on the manufacture of automobiles in the Dominion will be 50 per cent. or more of the value of the aggregate output. On the basis of last year's output, this might mean an additional expenditure on the part of the producers in this country in the way of accessories and parts of $12,000,000 provided that production in 1927 is equal to that of 1926. In the event of a larger output, expenditure will be in proportion.

At the present time most of the manufacturers of automobiles in Canada, with the exception of two or three companies, only maintain assembling plants. Engines, wheels, bodies and other parts are imported from the parent companies across the line and the money spent in Canada in putting these cars on the market represents only the time and labor involved in putting the machine together. It is not thought that producers will set up their own plants to secure the drawback, but will depend to a larger extent than heretofore upon domestic manufacturers.

Auto Part Makers Busy

There are a number of companies already in this field, which will benefit very largely by this tariff change. The McKinnon Industries, Canadian Acme Screw and Gear, and the Booth-Coulter Brass Co., as well as other concerns, have been exceptionally active during the past year on account of increased production of motor vehicles and the imposition of the new drawback ruling will furnish more business. The Booth-Coulter people, for example, have doubled their business in the past twelve months and despite additions and improvements to their plant equipment, facilities have been taxed to capacity. Further extensions are now being planned to cope with the anticipated increase in business.

While the other companies have probably not done as well as Booth-Coulter, they have secured their share of this additional business. Plant operations, in the majority of cases, have been substantially increased and earnings during 1927 will in all likelihood set a new high mark for most of the companies engaged in this work.

BESCO SLATED TO DISAPPEAR IN REORGANIZATION PLANNED FOR BIG STEEL-COAL GROUP

Forecast New Company is Under Aegis of Toronto Financial Group

SCALE DOWN CAPITAL

If Receiverships Now Asked Are Granted by Court Whole Situation Will Be Changed

Disappearance from the scene of corporate history appears to be the fate planned for British Empire Steel Corporation.

National Trust Co., acting in behalf of certain groups of bondholders and itself as a shareholder, has taken action in the supreme court of Nova Scotia looking to the winding up of the British Empire Steel Corporation, the Dominion Steel Corporation, and their various subsidiaries with exception of the Dominion Coal Co. Dominion Coal Co. is the only unit in the Besco structure which is paying its way and which seems to have an even chance of continuing as a corporate entity.

Liquidation is considered essential before there can be any comprehensive reorganization of the steel and coal industry of Nova Scotia. At least, no organization could hope to be successful, it is believed, until the capitalization has been scaled down materially and the government has done something for the steel companies, either by way of bounties or by a protective tariff.

For New Management

Elimination of the existing financial and operating management of Besco is in the offing if the court grants the application of the trust company. Committees representing bondholders not directly behind the National Trust Co. action are said to be in sympathy with the move as constructive. E. R. Wood some months ago became chairman of one of these committees at the request of a group of English bondholders.

In the probable liquidation proceedings, reorganization and rehabilitation of the Besco properties, it is stated definitely by high authority that the present management, the Wolvin group, will have no place.

At this stage it is believed that the receivers, or receiver, to be appointed by the court, if the court acquiesces in the move, will control through stock ownership the Dominion Coal Co., which is the only one of the units paying its way, and cannot be placed in receivership.

With the receiver or the receivers in command of the situation they will naturally endeavor to sell the properties to a strong financial group who will recast and simplify the financial structure of Besco and place in charge of production men who have proved their capacity for successful management of steel and coal properties. Further, the government will be asked for bounties.

Besco to Go

But the plans necessarily must remain in a nebulous state until the receiverships are a fact. Then it will be possible to determine the position of the holders of junior bonds on the various properties. Then, also, it will be feasible to ask the government for bounties or customs duties which the principal industry of Nova Scotia requires for profitable operation.

It is generally believed, however, that in the process of reorganization

(Continued on page 16)

Investor's Index

Algoma Steel . . . 11
Anticosti 6
Arnold Bros. . . . 11
Atlantic Sugar . . 4
B. C. Fish 5
Besco 1-16
Bldg. Products . . 9
Brand.-Hend. . . 11
Brooks Motors . . 11
Can. Cement . . . 11
Can. Cottons . . . 11
Can. Farm Imp. . 13
Can. Light 11
Can. Steamships. . 8
Consumers' Gas . 30
Dom. Alloy Steel . 4
Dominion Bridge. . 7
Dom. Linens . . . 31
Dom. Rubber . . . 11
Durant 4
French Line . . 11
Gunn's 1
Hillcrest Coal . . 7
Inter. Paper . . . 4
Inter. Pete. . . . 11
Inter. Power . . 8-11
Lake St. John . . . 6
Loew's Buffalo . .11
Loew's Theatres . 12
Massey Harris . . 1
McColl Bros. . . . 31
Milton Brick . . 11
Monarch Mtge. . . 13
Montreal Apts. . . 11
Montreal Water . . 8
Ottawa Montreal . 8
Porto Rico 8
Quebec Pulp . . 11
Wm. A. Rogers . . 30
Sawyer Massey . . 26
So. Can. Power . . 11
St. Maur. Val. . . 6

MINING FEATURES

Amulet 22
Archean 23
Area 21
Argonaut . . . 17-21
Bourlamaque . . . 23
Brit. Metals . . . 22
Can. Kirkland . . 17
Conroyal . . . 17-19
Corona 21
Fiske 20
Grozelle 20
Harvie 23
Hunton 17
Int. Nickel 22
Kirkland Gold . . 17
Lake Shore . . . 17
Mond Nickel . . . 22
Nipissing 17
Noranda 23
Northland 17
Pawnee 17
Quebec Prosp. . . 20
Queen Lebel . . 17-19
Ranger Lake . . . 18
S. Keora 23
Sylvanite . . .17-19
Teck Hughes . . . 17
Tough Oakes . . . 17
Vickers 23
W. Hargreaves . . 17

Say Toronto Financiers Will Control New Corporation to Succeed Besco

Who will control the new corporation or corporations that will rise to succeed the British Empire Steel Corporation? This is a live question now. Besco is purely a holding company; controlling, for purposes of the merger of 1920, the various subsidiary companies. If Besco disappears the individual companies will remain; each of them will be individually re-organized, it is planned, and an entirely new financial set-up arranged, probably to include all the companies. This would really mean a new Besco, smaller in capitalization but stronger in capital.

Gossip has it that a strong Toronto financial group plans to acquire the properties in the re-organization; put in new management and new capital; make a strong bid for government assistance by way of subsidy or tariff changes and try once and for all to establish Nova Scotia's iron, steel and coal industry on a sound basis. The present group in control, headed by Roy M. Wolvin, of Montreal, president of the company, is not in this Toronto picture.

Cape Breton Approves Plan for Liquidating Besco's Steel Units

Expect Good to Come Out of Present Situation in Company

AMERICANS IN PLAN?

Theory That U.S. Capital is Ready to Take Over Plants is Heard Down at Sydney

From Our Own Correspondent.

SYDNEY.—Cape Breton does not know exactly where it is going, but it is on its way at last, and after the heart-breaking stalemate of the last six years, the prospect of fast and immediate action, held out by recent events, has had a most exhilarating effect and given rise to a general conviction that permanent better times for coal and steel are really in sight.

For nearly two years, employment has been fair at the steel plant and the miners have enjoyed boom conditions, but general business has not profited because of the blighting uncertainty that has kept the merchant on a hand to mouth buying basis and made the miner and the steel worker spend as sparingly as possible for present necessities and hoard all surplus cash for a possible enforced negira to the United States. Many in fact did not await the decision, but made their way across the border at the rate of 3,000 a year. But those who dug in on the home grounds and held on seem now about to reap the reward of their faith in the country.

Addressing the board of trade about the government's attitude on the Duncan report and kindred matters, John R. MacIsaac, traffic manager of Besco, said:

"I believe that we are on the eve of big things, of better things than any of us now fully realizes."

Other coal and steel men throughout the province express somewhat similar views. Such optimism from such a source is considered convincing.

Approve Liquidation Demand

The action of National Trust in demanding the liquidation of Besco and Dominion Steel is generally approved, and few tears will be shed—at least among the resident population — if both these concerns are wiped off the books.

In well informed circles it is reported that the "mysterious five" who recently visited the district and surveyed conditions made such a favorable report to their American principals that a strong bid has been made for the purchase of the Sydney steel plant, providing the three New Waterford collieries are sold with it to give an assured supply of coal for steel making.

There is much activity at Broughton, seven miles from Sydney, where a good shaft taps 100,000,000 tons of excellent metallurgical coal, and where important operations are promised to begin in June, although the area has not been worked since 1915. The story is that Broughton is being relied upon by another group of would be purchasers of the steel plant to furnish necessary coal if the Waterford mines cannot be bought from Dominion Coal.

A Federal M. P., writing to friends in Cape Breton, says he is assured Montreal capital stands ready to operate the steel mills if Wolvin is forced out in the fight with the National Trust.

Coking Plants Will Help

It is anticipated the coke plants promised by the government will keep Dominion Coal busy the greater part of the year getting out coal for the up-river trade.

The government's pronouncement on the Duncan report has been received with acclaim in Cape Breton as in other parts of the Atlantic region. Disappointment at the failure to name specific remedies for coal and steel ills is tempered by the conviction that the liquidation fight must be finished and the constituent companies boiled down to a bed rock basis before the government can do business with and for them.

Hope is strong that the process will not take long, and there is every confidence that something substantial will then be done for coal and steel.

The strike at Inverness, involving some 350 miners, is a minor squabble, merely another phase of the fight of the U.M.W. to drive the O.B.U. out of Cape Breton. These mines are not large enough to have much effect upon the general situation, and its chief seriousness is the loss of revenue to the people of Inverness, who have not been any too prosperous for some years back.

"Delenda est Besco"

F. R. MacKeican, Counsel for National Trust Company to Nova Scotia supreme court.

"We are convinced it is in the interests of all the shareholders of the British Empire Steel Corporation that it should be wound up, and wound up quickly. What we feel is this: Here you have a company whose capital is hopelessly impaired; it is not necessary to this situation in any way; it has fulfilled its purpose; it is through.

"There is, so far as I am aware, no divergence of opinion amongst any people connected with this matter. The British Empire Steel Corporation must disappear; it must be dissolved. Every plan for dealing with the situation that has been presented or sketched out or discussed, tentatively or otherwise, by anybody, has called for its dissolution. There is nothing else that can happen to it.'

REORGANIZATION OF BESCO WILL PROCEED SHORTLY

Shareholders Meet Shortly to Appoint Committees to Look After Interests

From Our Own Correspondent.

MONTREAL.—As forecast by The Financial Post last week, the application of the National Trust Company to the Courts for permission to apply for the winding up of the corporation is serving to expedite the complete reorganization of the British Empire Steel Corporation and its subsidiaries. In the meantime, the court has allowed the National Trust Company to make the application for liquidating Besco and the case will proceed.

The management of Besco is busily arranging proposed committees to represent each class of shareholder and the management hopes that many leading business men will consent to sit on these committees so that each group of shareholders will have confidence in its committee and thus the best course of action for the corporation and its various subsidiaries will be followed with as little delay as possible.

The special meetings of the various groups of shareholders have been called as follows: Besco first preferred April 12 at 11 a.m., Besco second preferred April 13 at 11 a.m. and

(Continued on page 5)

Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Adoption of Maritime Proposals Should Stimulate Business
Foreign Trade Registers Healthy Increase
Iron and Steel Output Compares Favorably with 1926
Railway Traffic Heavier Than Year Ago

ACKNOWLEDGEMENT by the Federal Government of the terms of the Maritime Provinces, as set forth in the Duncan report, and the recommendations contained therein to alleviate the situation, should prove a powerful stimulus to business not only in the three Atlantic provinces, but also in the way of inter-provincial trade. While Quebec, Ontario and the Western provinces have been steadily recording headway—growing in population, consumption increasing and production growing, the Maritimes have failed to keep pace. Their problems have been to the fore for a number of years back and continued agitation for assistance has failed to materialize until this year.

The Government's announcement of its willingness to comply with these demands has instilled a greater confidence among the Maritime people. They now realize that the other provinces are willing to meet them half way in aiding them to greater prosperity, and the granting of practically all their demands puts it up to the Maritimes to achieve for themselves that measure of prosperity which has been the lot of the other provinces.

Foreign Trade Well Maintained

The report on last month's foreign trade again illustrates the extent to which the Canadian export surplus is being maintained and also the extent of our accruing credit balance against the other nations of the world. The February figures, covering twelve months, show a heavy increase in imports. Shipments to other countries at the same time have not fallen off to any marked degree and consequently the total trade for this period records an increase of $71,166,648 over the previous twelve months period.

Pulp and paper exports have been holding up remarkably well in view of the uncertainty which exists in regard to the possibility of over-production and the likelihood of cutting production. Woodpulp exports, on the other hand, have increased materially and are now at a high point for all time. Imports have been increasing steadily largely owing to the heavier purchases of iron and steel, including such items as automobiles and parts, machinery, etc., from the United States.

Iron and Steel Output Steady

The February iron and steel report lends added weight to the belief that business in the Dominion this year to date has been about on the same level as at this time last year. Pig iron output last month declined 2 per cent. from the previous month's output, but showed a slight increase over the production in February a year ago. Cumulative production for the first two months of 1927, was 102,412 tons, or about 4,000 tons below the output for the first two months of last year. January was an off month and recent advices indicate a general quickening of activity so that March production may show a large increase, possibly large enough to offset the small decline in the first two months.

The allied industry of steel reports similar conditions, February output being less than in January, but greater than in the same month of 1926. The aggregate production for January and February this year is about 6 per cent. less than for the corresponding months of last year. This is to be expected, as the production of steel generally follows the trend of pig iron output.

The inability of the iron and steel industry to make a more favorable showing during this period is somewhat disappointing. The various outlets for these two products are reported as using larger quantities and the failure of production to reflect this demand leads to the conclusion that foreign producers are securing a larger share of this business.

Construction and the automobile industries—the two large users of iron and steel—have both been active, the former during January and February at a higher peak than at any corresponding period in the past decade. January output of automobiles was much above the average for that month, and the February report shows a production of 18,655 units, as compared with 15,376 in the preceding month and 18,838 in February, 1926.

Car Loadings Set High Mark

Returns of railway traffic loaded show that in the second week of March not only were all records for the period surpassed, but that loadings exceeded by 11,400 the same week of last year. An interesting feature of the report on car loadings is that the various items going to make up the total, with the exception of livestock, coke and pulp and paper, registered substantial increases over the corresponding seven-day period a year ago.

The livestock industry has failed to get back on its feet since the British general strike of last May broke the market and demand for livestock and meat products since the settlement of this dispute last November has been particularly disappointing. The anticipated re-entrance of British buyers into the market for Canadian livestock has not materialized and now one person's guess is as good as another's as to when normal conditions will again prevail in this industry. Meantime, car loadings reflect the difficulties under which this industry is working.

Newsprint Traffic Smaller

The decline in the freight movement of pulp and paper is accounted for by the limiting of production in order to level the spread between supply and demand. This, of course, will tend to slow up developments for a short while, but the soundness of the industry precludes the possibility of any serious relapse such as occurred about five years ago.

The mercantile reports continue optimistic in tone. Unseasonable weather conditions in certain districts have slowed up trading, but, generally speaking, merchants are finding business satisfactory, volume being as great as that of last year. The Western retailers apparently are doing more business, relatively, than those in the East. This is mainly due to the greater returns from field crops last year and the resulting improvement in the financial position of the farmer.

Heavy Grain Movement Via Vancouver Anticipated

Grain moving through Vancouver this season is expected to equal that of last spring. Oriental demand is disappointing on account of unsettled conditions there, but the European market has been more active, which has tended to equalize the situation.

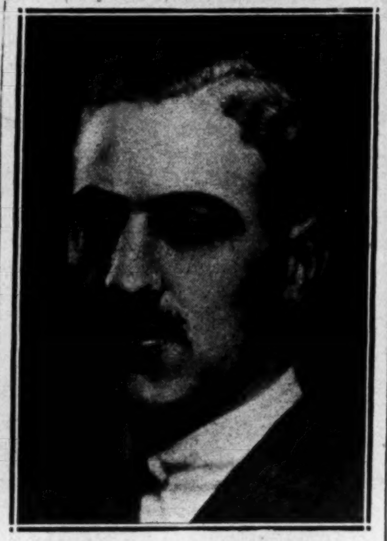
An additional stimulus has been given to this trade by the leasing of the two large harbor board elevators, one to the Alberta pool and the other to the James Stewart interests, is expected by grain men here as likely to result in a greater movement of grain westward. The one to be leased by Stewart has a capacity of 2,050,000 bushels and the one to be taken by the pool has 1,625,000 bushels. With these two organizations handling 90 per cent. of the Alberta wheat it is believed that the two plants will be operated to capacity.

Cargo space is no longer difficult to get, at rates around thirty-six shillings and sixpence. Bookings for the remainder of March listed in the Merchants' exchange are for 2,800,000 to the United Kingdom, 708,333 to the Orient, and 32,480 to Central and South America, making a total of 3,540,813 bushels. Bookings so far for April are for 1,238,986 bushels.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest This Year	Latest Last Year	This Year to Date	Last Year
Production—				
Pig iron, tons (Feb.)	50,695	49,746	102,412	106,390
Steel, tons (Feb.)	55,620	53,157	114,171	121,693
Newsprint, cwts. (Feb.)	150,773	135,663	312,497	275,351
Automobiles (Feb.)	18,655	18,838	34,031	30,619
Boots and shoes, pair (Jan.)	1,407,163	1,148,198	1,407,163	1,149,198
Flour, bbls. (Dec.)	1,715,000	1,738,000	....	....
Construction—				
Contracts awarded (Feb.) in $	19,516,700	13,477,600	36,238,700	26,146,600
Building permits (Jan.) in $	5,429,299	4,719,534	5,429,299	4,719,534
Labor—Employment index (Feb.)	95.4	90.7	....	....
Transportation—				
Car loadings (to Mar. 12)	65,103	53,700	603,647	548,885
C.P.R. gross (Jan.) in $	14,435,369	13,470,131	14,435,369	13,470,131
C.P.R. net (Jan.) in $	1,510,234	1,801,858	1,510,234	1,801,858
C.N.R. gross (Jan.) in $	20,168,259	18,701,154	20,168,259	18,701,154
C.N.R. net (Jan.) in $	2,034,353	1,728,381	2,034,353	1,728,381
Population—				
Immigration (Dec.)	5,415	4,003	....	....
Emigration (Jan.)	5,409	....	5,409	....
Trade—				
Imports (Jan.) in $	78,806,000	69,736,000	78,806,000	69,736,000
Exports (Jan.) in $	85,266,000	85,716,000	85,266,000	85,716,000
Imports of key products (Jan.)—				
Rubber, lbs.	4,336,000	4,901,000	4,336,000	4,901,000
Cotton, lbs.	21,278,207	19,209,000	21,278,207	19,209,000
Sugar, $	2,427,990	1,309,609	2,427,990	1,309,609
Petroleum, gal.	52,222,000	38,332,000	52,222,000	38,332,000
Coal, tons	1,562,996	1,209,261	1,562,996	1,209,261
Exports of key products				
Newsprint (cwt.) (Feb.)	145,263	128,964	304,129	272,003
Automobiles (pass.) (No.) (Jan.)	5,296	3,760	5,296	3,760
Wheat, bus. (Feb.)	11,421,705	14,073,853	....	27,271,853
Wheat Flour, bbl. (Feb.)	748,499	841,681	....	1,558,412
Finance—				
Failures, number (Jan.)	191	184	191	184
Failures, liabilities, (Jan.) in $	2,626,291	2,921,629	2,626,291	2,921,629
Bank debits (Jan.) in $	2,619,000,000	2,368,000,000	2,619,000,000	2,368,000,000
Bond sales (Feb.) in $	22,266,471	121,688,799	74,119,629	155,033,502
Stock prices (Mar. 12)	....	....	265.0	171.1
Insurance sales (Jan.) in $	36,820,000	33,600,000	36,820,000	33,600,000
Wholesale Prices (1913-100)—				
General index (Feb.)	....	....	150.1	162.0
Pig iron (Feb.)	....	....	144.4	146.8
Cotton (Feb.)	....	....	116.6	174.5
Grains (Feb.)	....	....	157.7	166.7
Cattle (Feb.)	....	....	102.9	106.1
Rubber (Feb.)	....	....	60.0	95.9



ALEX. M. RAMSEY, who has been admitted as partner in the firm of George H. Harley & Co., members of Toronto Stock Exchange. Mr. Ramsey has been identified with the brokerage business in Canada for many years, latterly having represented the investment house of A. E. Ames & Co., on the floor of the Toronto Stock Exchange. Mr. Ramsey will represent the firm of George E. Harley & Co., in a similar capacity.

RAILWAYS HANDLE BIG TRAFFIC VOLUME

Last Year's Movement Sets Record — Increase in Mine Products

Improvement in activity of basic industries of the Dominion last year is reflected in the heavy movement of traffic on Canadian railways. The 1926 traffic was the heaviest the railways have handled, having amounted to 107,003,864, or 10,764,485 tons larger than in 1925 and over 3 million tons larger than in 1923, when Canada harvested her record grain crop. Products of agriculture amounted to 25,717,532 tons, or 24 per cent. of the total; the long haul of grain makes the ten miles of agricultural production a much larger percentage of the total.

The big increase in 1926 was in mine products, which were heavier than in 1925 by 6,815,401 tons, coal accounting for 4,109,257 tons of this, according to a report issued by the Bureau of Statistics. There were large increases in the tonnage of clay, sand and crushed stone in Alberta, Saskatchewan, Manitoba, Ontario, Quebec and New Brunswick; undoubtedly this was due to extensive highway construction. Crude petroleum and also refined petroleum and its products showed marked increase, indicating increased consumption of gasoline and fuel oil, especially in the Western provinces.

Automobile Taffic Heavier

Among the forestry products, logs, posts, poles and cordwood showed an increase of 658,132 tons, the bulk of which was made during October-December. Sugar shipments were lighter by 103,044 tons, 54,968 tons of which were in the traffic passing through Canada. Bar, sheet and structural iron and iron pipes showed increases throughout the year and were heavier than in 1925 by 237,765 tons. Automobile traffic was heavier by 232,345 tons.

By far the largest proportion of traffic is credited to Ontario. Quebec is second on the list and, contrary to general belief, Alberta is third. Saskatchewan occupies fourth position, followed by Nova Scotia, British Columbia, Manitoba, New Brunswick and Prince Edward Island. The following table shows the amount of freight credited to each province:

	Tons
Ontario	48,747,800
Quebec	18,252,320
Alberta	9,075,982
Nova Scotia	6,818,973
British Columbia	6,810,790
Manitoba	6,193,084
New Brunswick	2,824,177
P. E. Island	159,073

IMPROVED INVOICE KEEPS DOWN COSTS

Over 300 Firms Adopt New Simplified Invoice Forms

From Our Own Correspondent.

MONTREAL.—Untiring efforts are being made to decrease the internal costs in business institutions. The latest indication of this is the greatly increased use of the standardized invoices. The adoption of a standard invoice form has afforded great saving and is being widely endorsed.

Over three hundred Canadian firms are now using the Standard Invoice Forms, according to Frank C. Woodroffe, of the Henry Morgan Company, Montreal, who has been appointed chairman of the Standard Invoice Committee of District 5 of the Canadian Purchasing Agents' Association.

A new simplified invoice form combining the best features of both the uniform and the national standard invoice form, and adequately providing for both unit and multiple billing, was unanimously adopted at a meeting recently held in Washington by the joint committee the proponents of both forms. Their action marks the completion of a series of conferences extending over several months for the purpose of harmonizing the differences between the two predecessor forms.

The new form will go into use as soon as the present stock of the earlier invoices is exhausted. The joint committee voted on a two year period of trial ending February, 1929. At that time a review of the results will be made to determine what modification or refinements, if any, are necessary.

The extraordinary reception which has attended this Standard Invoice Form is attributed to the increase in efficiency in office management and to the enormous savings which have been effected.

In an interview with The Financial Post, Mr. Woodroffe explained that the adoption of the Standard Invoice Form would be followed by certain outstanding advantages. First of all, it eliminates misunderstandings and inconveniences. It expedites shipments and the settlement of accounts. It saves money by reducing clerical personnel. It saves paper by cutting from standard size stock without waste. It saves correspondence by including all necessary information on the forms themselves. Further, it saves time in filing, finding and handling, while being checked and also economizes in filing space through uniformity of size. The Purchasing Agents' Association has spent much time in preparing a form which would be generally adapted to all lines of commerce.

American Business Conditions Continue on Favorable Lines

As seen from check payments, the dollar volume of trade during the second week of March, although smaller than in the previous week, was greater than a year earlier, according to the weekly statement of the Department of Commerce. Wholesale prices again declined from the preceding week, the general average for the second week in March being 8 per cent. lower than in the corresponding week of 1926. Loans and discounts by Federal reserve member banks declined from the preceding week, but were substantially larger than a year ago. The Federal reserve ratio averaged higher, both as compared with the preceding week and the corresponding week of 1926.

The production of bituminous coal during the first week of March was greater than in either the preceding week or the same week a year earlier. The production of beehive coke and lumber, however, was smaller than in either prior period. The output of crude petroleum, although smaller than in the previous week, was greater than in the first week of March a year earlier. Distribution of goods, as seen from carloadings, was greater than last year. Receipts of cattle and hogs were each smaller than a year ago.

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A. E. PHIPPS, General Manager.
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Canada and its American Branch Plants

By FLOYD S. CHALMERS

THIRD ARTICLE.

British Preferences and Their Limitations.

We are accustomed in this country to hearing the preferential tariff arrangements betweent Canada and other British Dominions spoken of as a compelling reason for the establishment by United States manufacturers of plants in Canada. If this were true we might expect to see more branch plants being established in Canada than at the present time is the case.

There seems to be no doubt that the British preference is a factor in gaining industries for Canada; but it is only one factor, a factor that helps us in getting some factories but that is of no value whatsoever in many important lines where Canada would like to see its industrial activity expand.

Could Not Get Plants to Come

The experience of one Ontario board of trade in utilizing Imperial preferences in attempting to build up local industries might be cited. This board had a list of about a dozen American concerns which had, for a considerable period, exhibited an interest in branch establishment on the Canadian side. But the companies could not be induced to take the step at once. None of them seemed to offer a strong reason for deferring the step it planned ultimately to take. The Canadian city's board of trade decided to take action to get some of the firms to come over at once. It selected three or four of its leading manufacturers, all of them representing Canadian branch plants of American concerns and asked this committee to visit the American companies on the prospect list and try to induce them to come to Canada. The committee members were given full information about Imperial preferences and were told to let the Americans know how advantageously they could export from Canada.

In every case, the reply was the same; the British preferential tariffs were found to be so inadequate and so unattractive that there was no advantage in establishing a plant in Canada for the handling of export business to overseas British markets.

Not Universally a Factor

The fact that many concerns have established in Canada with Imperial preferences in mind proves that they are a factor of some mportance. But the incident of the twelve manufacturers visited by this board of trade proves that the preferences are not a compelling factor applicable to all classes of industry.

Most American firms establish branches in Canada to get behind the Canadian tariff and sell in the Canadian market. Even for the Canadian market it is not always profitable to manufacture in Canada. The Canadian market is not much larger than the market provided by the State of New York and Chicago. Many firms find it more profitable to manufacture in the United States at mass production costs, pay Canadian duties and ship into Canada from home plants than to manufacture in this country.

If, however, some export markets can be added to the Canadian market, the establishment of a branch plant in Canada may be profitable. Where such is found to be the case the Imperial preferences become a factor and may, in the case of many concerns, be the final or determining factor. But volume of industrial production governs overhead cost. In the United States, industrial production is upon a very much larger scale than in Canada. The latter fact is weighed by the United States manufacturer. He must consider his American cost on the one hand and, on the other hand, his higher Canadian cost minus the British preferential. In many cases, the saving in production costs at home is greater than the amount of the preference in British countries.

Catering to British Tastes

A factor that is of some advantage to Canada in getting export manufacture is that the tastes and habits of people in some British countries differ from tastes and habits on this continent. For instance, in most British countries, automobiles must have right hand drives to meet the rule of the road, which is not the same on this continent. For an American factory turning out immense quantities of left-hand drive automobiles for American requirements to shift its production to right-hand drives for the very small period that would be necessary to fill an export order, involves considerable expense. If there is a Canadian plant capable of looking after such foreign business it sometimes pays the American manufacturer to allow the Canadian plant to turn out the odd styles even at the higher Canadian cost of production. A large export order might take up a week's production in a Canadian plant where it would involve only a few hours in a factory in the States.

Capitalizing Patriotic Sentiment

There is a considerable intangible advantage in shipping to the British countries from Canada that is often quite as important as any tangible advantage in tariff preferences. Most Britishers, in buying, would give a Canadian product preference over an American product. Our trade commissioners abroad have found this to be true. Many American manufacturers have considered this Imperial sentiment to be of sufficient importance to warrant them manufacturing in Canada for export apart from preferential advantages.

When the tendency is to manufacture in Canada for export to British countries, it often follows that all export business is concentrated in the Canadian plant. Not all American manufacturers are keenly interested in foreign trade. Their mind is too much taken up with their home market. They are glad to let the Canadian branch look after the foreign markets if it wants to.

No Hard and Fast Rule

Thus we see from a review of the situation that there is no hard and fast rule by which one can measure the exact benefit that accrues to Canada from its Imperial preferential arrangements. That they benefit it must be admitted. That they benefit us to the extent that many people think is very doubtful. That the Imperial preferences represent a compelling reason for the establishment of a branch plant in Canada is not true.

In the main, as in most such studies, the answer comes down to cases; individual companies will find the circumstances in relation to their own products.

Reviews of the Preferences

The part of the British Empire that accord tariff preferences of one kind and another to Canadian goods, as compared with products of non-British origin are as follows:

Great Britain
Irish Free State
New Zealand
Southern Rhodesia
British West Indies (12 colonies)
Bermuda
Fiji
Western Samoa
Brunei
Northern Ireland
Australia
Union of South Africa
Northern Rhodesia (except Congo Basin)
British Guiana
British Honduras
Cyprus
Mauritius
Gibraltar

In certain of these countries the preferences apply to all Canadian goods just as the preferences that Canada grants are applicable to all kinds of products. The countries that grant such a general preference, representing a percentage of the reduction from the ordinary tariff are:

British West Indies
New Zealand
The Rhodesias
Cyprus
Fiji
Western Samoa

Small List in British Isles

In the case of Great Britain and Northern Ireland the British preference applies to nearly all dutiable goods. The tariff is the same in each of these countries and every preference that is granted any nation is accorded to Canada. However, not many lines of goods are protected at all so that the tariff preference is of value to Canada in the case of very few commodities. Some of the goods that might be or are manufactured in Canada that would benefit from these tariffs are:

Cinema films
Clocks and watches
Dried fruits
Hops
Optical glasses
Wireless valves
Magnetos
Scientific instruments
Chemicals
Lace and embroideries
Matches
Motor cars
Silk
Spirits
Sugar
Prepared milk
Tobacco

Canadians have indeed benefited from these preferences on motor cars, tobacco and sugar but the others have not been of much value.

The Irish Free State has its own tariff which is somewhat different from that of Great Britain but it contains some preferences and these are applicable to Canadian products.

Australia Specifies Benefits

Australia has entered into a treaty with Canada under which specified Canadian articles get preferential treatment. These include

Prepared fish
Gloves
Certain machinery
Paper
Corsets
Tubes
Rubber footwear
Vehicle parts

In the tariff of the Union of South Africa there have been incorporated both minimum and maximum rates. Canada has been accorded a certain number of these minimum rates including preference on:

Wheat
Canned fish
Hosiery
Teine
Pipes
Mechanics tools
Electrical apparatus
White lead
Tires
Wood
Newsprint

These are the chief Imperial preferences from which Canada benefits.

Each Commodity Now Unto Self

It will be seen that there is no uniformity in regard to these Imperial preferences. Each British nation has its own tariff and does what it likes about granting preferences or entering into trade treaties.

Any manufacturer wishing to know how the tariff preferences as a whole would affect his business would have to study the subject for himself. The Commercial Intelligence Service of the Department of Trade and Commerce, Ottawa, maintains very complete files on tariffs and would, no doubt, be able to compile a record of tariffs on any particular product, indicating the preferences that would accrue on the articles it manufactured in a Canadian plant.

Even such a record to cover any individual product would be difficult to provide since different countries describe articles by different names. It takes ten foolscap pages to tell, in typewritten fashion, the various British preferences on spark plugs and radio apparatus.

However, from the above summary of the Imperial preferences we gain the knowledge that the larger British markets—the British Isles, Australia and South Africa, for example, grant us very small preferences. The most encouraging preferentials are in the smallest markets, markets of very limited buying power.

India, one of the most valuable export markets in the world, extends Canada no preference whatsoever.

Are Empire Preferences Factor in Establishing Canadian Plant?

Two Views Obtained by The Financial Post.

YES

By T. A. RUSSELL,

President Willys-Overland, Limited.

The Canadian plant of the Willys-Overland Ltd. was established originally with a view to catering to the Canadian market itself and not with the export field in view. Since that time, however, the importance of the export of cars to British preferential countries has become so great that I do not believe a United States company would invest in a Canadian plant to-day for the purely Canadian demand; and the advantage of export to British preferential countries would be an important determining factor in their decision to come to Canada.

NO

By F. MACLURE SCLANDERS,

Commissioner, Saint John Board of Trade.

Many people state that British preferentials constitute a compelling inducement for the establishment of United States plants on this side. Flatly and absolutely they do nothing of the kind. It is time that our British preferential tariff situation was carefully scrutinized. Where possible, steps should be taken to increase the preferential on Canadian manufactures exported to British possessions. In most cases, the lower cost of production in the United States more than offsets the present British preferentials granted to commodities manufactured in and exported from Canada.

One Place Where British Preferences Help Canada

Preferences Granted on Canadian-made Motor Trucks by Different British Countries

A motor truck manufactured in Canada has preferential tariff treatment in a number of British countries. The extent of the preference in the different countries is as follows:

	British Preference %	General Tariff %
Great Britain, Northern Ireland, Irish Free States	22 2/9	22 1/3
New Zealand	10	35
Rhodesia's	Free	3
Cyprus	10	30
Fiji	15	27½
Mauritius	12	15
Western Samoa	15	22½
Brunei (Borneo)	2½	5
British West Indies:		
Trinidad	10	20
Barbadoes	10	20
Jamaica	15	20
Grenada	15	22½
St. Lucia	10	*15
St. Vincent	10	*15
Dominica	10	*15
Antiqua	10	*15
Montserrat	10	15
St. Kitts-Nevis	10	15
Virgin Islands	8	†12
Bahamas	7½	10
or		
	9 3/8	12½
British Guiana	20	40
British Honduras	10	20
Bermuda	10	**11
Australia, chassis	7½	12½
and		
	12½	17½

* Surtax also applicable to both rates.
† Some cars free.
** Most trucks prohibited import.

The Trend of Business

can be perceived only from close observation of actual conditions.

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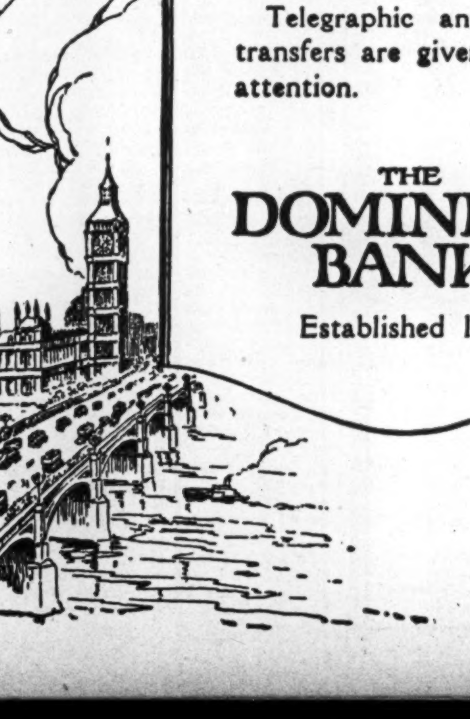

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TORONTO 2

DURANT COMPANY SHOWS ITS FIRST OPERATING PROFIT

Canadian Plant at Leaside Has Gain of $234,000 For 1926

Durant Motors of Canada had net profit of $234,593 in 1926, compared with a net operating deficit of $20,884 in the year ended December 31, 1925, and a net impairment of capital since organization of $77,012.

The balance sheet, copies of which were distributed to shareholders at the annual meeting at the Leaside plant, March 22nd, show a remarkable improvement in the cash position of the company at the end of the last fiscal year compared to a year previous. While an initial dividend on the stock is probably distant in view of the management's policy of building up a substantial reserve for operations at home and in the export field, the future, from the viewpoint of the thousands of individual shareholders, is much brighter now than it has been ever before in the company's history.

Has $869,793 Cash

The balance sheet just published shows cash on hand and in banks totaling $869,793 and the reserve for estimated losses in the operation of the Toronto Durant Co. has been increased by $100,000 to $181,000.

Working capital now stands at $1,386,110, which is up from $1,089,751 at the end of 1925. Current assets now total $1,709,940 and current liabilities stand at $323,430. A year ago current assets were $1,405,153 and current liabilities were $315,402. The company never has borrowed at the bank and the statement of the president, W. C. Durant, says, that the directors anticipate no need for procuring advances of this character. Inventories are down from $1,024,185 to $581,697.

Land, buildings and plant are entirely free of mortgages, liens or charges of any other kind and there is no preferred stock ahead of the issue which is in the hands of 11,000 persons in Canada. The total outstanding stock totals $2,846,960 of the par value of $10 the share. About 40 per cent. of the stock is held by the Durant Company of Delaware, by reason of the conversion of the Canadian stock into the stock of the holding company. The conversion right expired about a year ago.

The depreciated value of plant, buildings and land is shown at $1,459,229. The reserve for depreciation now stands at $332,280, which is an increase from $247,659 at the end of 1925.

Profit and Loss

	1926 $	1925 $	†1924 $
Net profits	234,592	x20,883	x78,250
Bal. forward	x77,011	x60,049	18,201
	157,581	x80,932	x60,049
Net adjust.	.....	3,921	......
Res. for income tax	24,000	......	......
Balance	133,581	x77,011	x60,049

x Deficit.
† 10 months.

Durant is Puzzling

William C. Durant's announcement that he would devote his entire time to the automobile business is not without interest in Canada. The Canadian Durant Co. is said to be the soundest of the Durant operating group.

Before William C. Durant began actively to participate in Wall Street operations, he was an executive of General Motors. His latest announcement has puzzled the automotive world, which in recent months has been discussing possibilities of merger of the companies which are affiliated neither with General Motors nor Ford.

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Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Mar. 23	93.5	90.5
Week of Mar. 16	92.8	90.3
Month of Mar., 1926	79.6	72.1
9 Bank Stocks		
Week of Mar. 23	$240	$239
Week of Mar. 16	240	239
Month of Mar., 1926	227	242
10 Public Utilities		
Week of Mar. 23	105	103
Week of Mar. 16	107	102
Month of Mar., 1926	95	91

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	5	2	2	9
Paper	7	4	5	16
Steel	9	12	17	38
Foodstuffs	15	16	13	44
Utilities	11	7	11	29
Tractions	3	3	8	14
Textiles	6	2	10	18
Industrials	17	12	23	52
Total	73	58	89	220

SAYS BLACK-SHEET MILL WILL BRING $100,000 PROFITS

President of Dominion Alloy Steel Makes Predictions of Betterments

Installation of a black-sheet mill to supply the galvanizing plant already in operation, will enable Dominion Alloy Steel Co., Sarnia, to earn nearly $100,000 annually in addition to the profits said to be derived from the galvanizing, according to W. B. Boyd, president.

At present, says Mr. Boyd, United States concerns get orders from Dominion Alloy Steel Co. for 800 tons of black-sheets monthly. The profit on the manufacture of black-sheets, says the same authority, is $8 the ton. Thus, if Dominion Alloy instals its own black-sheet plant, it will make this profit in addition to the profit on galvanizing. A modern black-sheet plant will cost $225,000. Dominion Alloy has room in its factory for such a plant, the galvanizing processes occupying only one side of the large building.

Subscriptions in Arrears

Mr. Boyd is optimistic as to the future of this company, which has more than 5,000 shareholders in Western Ontario and in the state of Michigan. While the preferred stock par value is $1,000,000, about $400,000 is due the company on subscriptions in arrears. The company hopes to get in about $150,000 of this money partially to finance the expansion. The stock is 8 per cent. cumulative from the date of the final payment. The paid-up stock is now in arrears about eighteen months. Net earnings of $72,000 will be required annually to pay the preferred dividend.

According to Mr. Boyd, the galvanizing plant was earning nearly enough to pay the preferred dividend in the last half of 1926 and he expects that, as soon as the black-sheet mill is operating, earnings will be more than adequate for all purposes.

Publishes No Balance Sheet

Dominion Alloy Steel Co. has been in existence for several years and the galvanizing plant has been in operation fourteen months. When the stock was first offered small investors in Michigan and Western Ontario, it was announced that the plant would be built at Goderich. It was later moved to Sarnia.

Dominion Alloy Steel Co. publishes no balance sheet. Mr. Boyd says that the balance sheet was read at the recent annual meeting in Sarnia and that there were 250 shareholders present. He says, further, that the balance sheet was on exhibition to any shareholder who cared to examine it for some time after the meeting.

ATLANTIC SUGAR REPORT SHOWS BETTER POSITION

Working Capital Up and Profit and Loss Deficit Disappears

From Our Own Correspondent.

Montreal.—The striking feature of the eleventh annual report of the Atlantic Sugar Refineries for the fiscal year 1926 is the marked improvement in the company's balance sheet position. Whilst earnings were much at the 1925 level, the working capital position has undergone a marked betterment and, due to the financing during the year, the balance sheet no longer shows a deficit in profit and loss account.

The income account figures and the working capital figures over the past three years compare as follows:

	1926	1925	1924
*Profits	$1,206,892	$1,246,391	$ 964,103
Deduct:			
Bond interest	182,519	41,910	47,910
Other interest	154,263	355,774	384,781
Depreciation	356,968	355,376	304,224
Net	513,142	403,331	227,188
**Discount	12,481	......	......
Total	525,623	493,331	227,188
†Prev. Def.	3,754,601	4,253,673	4,486,383
Net Def.	3,228,978	3,760,342	4,259,195
‡Adjustment	3,666,675	......	......
Surplus	437,696	x3,760,342	x4,259,195

*—After providing for income tax.
**—Discount on bonds redeemed through sinking fund.
† Adjusted.
‡—Surplus arising from reduction in common share capital stock through conversion of 48,889 shares of the par value of $100 each into nonpar-value shares, with a nominal value of $25 each.
x—Deficit.

Working capital position:

	1926	1925	1924
Cur. assets	$2,503,595	$1,823,277	$ 812,205
Curr. liab.	869,481	1,684,373	1,632,264
Net work cap.	1,634,114	138,904	*820,059

*—Current liabilities in excess of current assets.

Earnings on Common

No preferred dividends were paid during the year, but after deducting the amount required for this purpose, the net profits would be equivalent to $5.52 per share on the 78,889 shares of common stock outstanding.

The wiping out of the profit and loss deficit was largely accomplished by the conversion of the common stock of $100 par value to no par and carrying it at a figure of $25 per share on the balance sheet.

The statement shows at the close of the year that the company had outstanding $4,571,247 in bonds. It is understood that since the close of the fiscal year, the company has purchased some $500,000 of its own bonds. The amount of bonds outstanding is of vital interest to the shareholders for under the bond trust deed Atlantic Sugar cannot consider the payment of its dividends until such time as the total bonded indebtedness has been reduced to $3,000,000.

During the year, loans were reduced from $1,600,000 to $700,000. In addition $100,000 first mortgage bonds and $50,000 general mortgage bonds were retired. Inventories show an increase of $450,000. The reserve for depreciation has been increased by some $360,000.

Remarks to Shareholders

In his remarks to the shareholders, Lewis J. Seidensticker, the president states in part:

"The year's operations, including the proceeds from the sale of 30,000 shares of new common stock, have further improved the current financial position to the extent of $1,516,216. In addition $100,000 of first mortgage bonds and $50,000 of general mortgage bonds were retired.

"The refinery plant has been maintained in a high state of efficiency. Expenditures for repairs and maintenance amounted to $102,203, and were charged against operations. Betterments amounting to $27,797 were added to plant account.

"Your company's business in the domestic and export markets was maintained at approximately the same levels as in the previous year.

"Early this year the company took advantage of an opportunity to purchase, for sinking fund purposes as required, a block of $511,200 of the outstanding 5 per cent. general mortgage bonds at the price of 75 per cent."

Economic Chart Shows Canada's Place in Nations

The annual world economic statistical chart for 1926, prepared by Redmond and Co., of New York City, presents in a thoroughly comprehensive manner the present standing of thirty-nine leading countries, the securities of all of which, excepting China, Roumania and Soviet Russia, are dealt in on the New York Stock Exchange.

The chart deals with finances (currency, debt, etc.), government revenues, expenditures, foreign trade, shipping tonnage, railway, motor vehicles, telegraphs, telephones, coal production and consumption, petroleum production and consumption, pig iron and steel output, cost of living index and wholesale prices.

The figures quoted on Canada are the latest available and the showing of this country in comparison with other nations, is excellently portrayed. Great credit is due to Redmond and Co. for the publication of this chart, which is invaluable to those interested in economics.

Since the Edmonton Board of Trade started its two-year publicity campaign, over 4,200 letters and 1,200 completed questionnaires have been received from farmers in the mid-western United States.

D. J. McDougald J. B. McArthur
Government, Municipal and Corporation
BONDS
D. J. McDougald & Co.
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302 BAY STREET. ELGIN 2278
The Partners Personally Advise as to Investments.

International Paper Interested in Manitoba?

From Our Own Correspondent.

MONTREAL.—It is now said that the interests behind the projected 600 ton paper mill at White Mud Falls on the Nelson River, which flows into Hudson's Bay, are the International Paper Company. It is reported that an application for timber limits containing 11,500,000 cords of pulpwood in the basin of the Nelson River has been made to the Federal Government at Ottawa, which controls the natural resources of the prairie provinces. It is said that one of the factors which has influenced the investigation of the White Mud Falls project has been the fact that the Hudson's Bay railway is expected to reach Port Nelson this year.

MANUFACTURERS WILL CARRY RISK UNDER OLD LAWS

Will Not Await New Quebec Compensation Law Before Insuring

From Our Own Correspondent.

MONTREAL.—It is the intention of the manufacturers forming the Quebec Mutual Casualty Company—and for which company a charter was recently received from Parliament—to go ahead with the company under the old Workmen's Compensation Act pending the probable and eventual adoption of the new Workmen's Compensation Act.

It is understood that practically all of the manufacturers who previously signed up for insurance with the Quebec Mutual have decided to go into it under the old act—and in spite of the postponement of the new act.

Reinsure Across Line

The Quebec Mutual is understood to have reinsured all of its liability with the Liberty Mutual Insurance Company whose head office is in Boston, Mass. In addition the Liberty Mutual will furnish to the policy holders the same high grade service for prevention of accidents and the prompt and just settlement of claims that it has been developing over a period of years in the thousands of manufacturing plants which it insures.

The Liberty Mutual has assets of $14,000,000. Since 1912 it has written in excess of $60,000,000 of premiums and returned in dividends to policy holders in excess of $12,000,000 which have never failed to average a dividend return of at least 20 per cent. of the total premium cost.

Provisional Board of Directors

The provisional board of directors is composed of:

Julian C. Smith, vice-president and general manager, Shawinigan Water and Power Company.

Adjutor Aymot, vice-president, Dominion Corset Company, Quebec.

Geo. H. Montgomery, K.C., Montreal.

Norman Holland, president, Holland Varnish Company.

Edgar M. Berliner, president Victor Talking Machine Company.

Jos. Desautels, managing director, Fashion Craft Limited.

H. J. Heasley, managing director, Geo. W. Sadler Belting Company.

Jos. A. Bothwell, vice-president and managing director, Brompton Pulp and Paper Company.

The Quebec Mutual Casualty Company have opened offices in the Coristine Building, temporarily in charge of Charles L. Wilder.

AUTOMOBILE OUTPUT REGISTERS BIG GAIN

Apparent Consumption First Two Months of Year Totals 22,996

Production of automobiles in Canada during February numbered 18,655 cars, an increase of 18 per cent. over the 15,376 made in January, but slightly less than the 18,838 reported for February of a year ago. The month's output included 13,418 passenger cars, 1,911 chassis, 3,323 trucks and 3 taxicabs and buses. Of the total, 12,627 were made for sale in Canada, while 6,028 were intended for export trade.

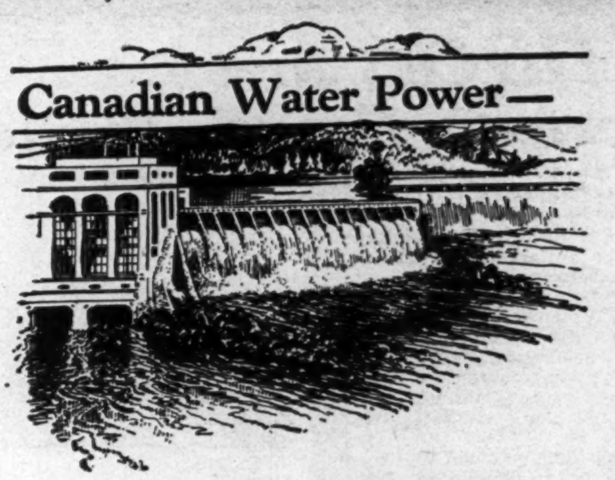
Compared with production in February of last year, the output of trucks and of closed passenger models showed gains, while open cars, chassis, taxicabs and buses showed smaller numbers. The number of closed model passenger cars advanced to 9,062 from 5,433 in February, 1926; trucks rose to 3,323 from 2,476, open passenger cars dropped to 4,356 from 7,528; chassis declined to 1,911 from 3,389 and taxicabs and buses fell off to 3 units as compared with 12 in the corresponding month of 1926.

Cumulative Output Lower

For the two months ending February, the cumulative production totaled 34,031 cars as compared with 34,317 reported for the first two months of last year, and 23,188 during the corresponding period of 1925. Of the 34,031 cars produced during the year to date 13,621 or 40 per cent. were made for export and the rest, 20,410 or 60 per cent. of the total, were intended for sale in Canada.

Customs records showed that during February, 2,586 cars valued at $2,388,401 were imported into Canada, and 12,801 cars valued at $5,705,626 were exported. The apparent consumption of motor cars in Canada during the month as determined by adding the imports of 1,567 cars to the production of 12,627 made for sale in Canada was 14,194. For the year to date the apparent consumption in Canada as thus computed totaled 22,996 cars. cars.

Work has been started on the installation of cold storage and pre-cooling facilities at the Vernon Fruit Union, aided by a Dominion government grant of $25,000.



Canadian Water Power—

Canada Northern Power Corporation Limited
7% Preferred Stock

This Company is playing a large part in the rapid development taking place in Northern Ontario and Quebec. Current earnings of constituent companies are running over two and one-half times dividend requirements on this issue. Dividends payable quarterly.

Price 100 Net to yield 7%.

Booklet "Our Heritage" sent on request.

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HARDWARE STORES SMALLER PROFIT

This is Revealed by Survey Made of Year's Operations In Stores of Canada

The effect of keen competition in the retail field is plainly revealed in a compilation of statistics just completed by Hardware and Metal covering the business experiences of scores of retail hardware firms throughout Canada during the past year. Merchants have struggled during the past few years to increase the volume of business, and their efforts have not been in vain, as is revealed by a constantly increasing volume of business during the years 1924, 1925 and 1926. Similarly, efforts to decrease the average stock carried in stores through simplification, elimination of dead stock, reducing slow-movers, and by more careful study of the requirements of trade, have been successful. And as can only be expected where a larger volume of business is done with less average stock carried, the rate of turnover has increased.

In addition to the foregoing, hardware merchants have been successful in their efforts to reduce their cost of doing business. This is partly a reflection of the fact that a larger volume of business has been done without materially increasing overhead, and it is also partly due to the fact that real progress has been made in reducing certain overhead expenses. The figures show a continuation during 1926 of the tendency to reduce the cost of doing business, though the reduction during the past year was admittedly small.

The somewhat disappointing fact revealed by a study of the mass of figures secured by Hardware and Metal is that despite increasing volume, reduced stocks, more rapid rate of turnover, and lower costs of doing business, the rate of net profit to hardwaremen for 1926 showed a decline from the previous year. This indicates the fact that an insufficient margin was secured on merchandise sold, and there is perhaps no stronger confirmation available of the fact that keen competition between hardware merchants themselves, and between the hardwareman and his outside competitors, has reduced the profit-making possibilities of the hardware business. The necessity of hardware merchants concentrating upon profit-making lines, and of selling their services at a price which represents a profit to them, is plainly revealed.

About 70 tons of honey are extracted in the Okanagan Valley each year.

METAL OUTPUT IS LESS THAN IN 1926

Outlook Encouraging For a Heavy Increase in Production

Production of pig iron in Canada during February amounted to 50,695 long tons, marking a decline of 2 per cent. from the output of 51,717 long tons in January, but a slight increase over the output in February of a year ago. Production of basic iron totaled 27,977 tons as against 28,852 tons in January; foundry iron showed a decline of about 50 per cent. to 10,811 tons, but the output of malleable iron increased to 11,907 tons from only 965 tons last month.

For the two months ending February the cumulative production of pig iron in Canada was 102,412 tons or about 4,000 tons below the output in the first two months of last year. This year's production was composed of 56,829 tons of basic iron, 32,711 tons of foundry iron and 12,872 tons of malleable iron; 56 per cent. of the whole was made for the further use of the producers and the balance was intended for sale.

Steel Output Down

Production of steel ingots and castings in Canada during February, at 55,620 long tons, showed a decline of 5 per cent. from the 58,551 tons of January, but was 5 per cent. greater than the 53,157 tons reported for February, 1926. The output of steel ingots was lower at 52,144 tons as against 55,898 tons in the previous month, but steel castings rose to 3,476 tons from the 2,653 tons reported in February.

For the two months ending February the total output was 114,171 tons or a decline of 6 per cent. from the 121,693 tons reported for the same two months of last year. This year's production included 108,042 tons of steel ingots and 6,129 tons of steel castings. All of the steel ingots and 8 per cent. of the steel castings were intended for the further use of the producers.

Two of the largest users of iron and steel—construction and automobile industries—have been more active during the past month and the outlook for further business in these lines is distinctly encouraging at present. New building reported during February was the largest ever recorded for that month, while the number of motor vehicles turned out indicates that the record production of last year will in all likelihood be continued throughout the balance of 1927. These two factors, combined with the possible increase in demand for rails and other railway equipment, portend more extensive buying of iron and steel in the near future.

New Issue
$1,000,000
Greater Vancouver Water District
5% Sinking Fund Gold Bonds
Dated August 1, 1926. Due August 1, 1966.
Principal and half-yearly interest payable in Toronto, Montreal, Winnipeg, Vancouver, Victoria, New York or London, Eng. Denomination $1,000.
These Bonds are a joint and several obligation of Greater Vancouver Water District and all constituent municipalities.
Price: 102.25 and Interest
Yielding about 4.87%
Fully descriptive circular furnished upon request.
Wood, Gundy & Company
Limited
Winnipeg 36 King Street West Montreal
Hamilton Toronto New York
London, Ont. Telephone: Elgin 4321 London, Eng.

GARDINER QUITS AS DIRECTOR OF B.C. FISHING CO.

Says His Work Finished With Acceptance of Plan For Preferred

Percy R. Gardiner, member of the stockbrokerage firm of Gardiner, Wardrop & Co., has resigned as a director of British Columbia Fishing & Packing Co., the annual meeting of which will be held in Vancouver, March 29th. Mr. Gardiner, who was elected to the board last fall after he had acquired several thousand shares of the stock in the market rise which carried the issue from 57 to 108½, from which point it dropped precipitately, explains in a formal statement that he went on the board of the company to achieve a recasting of the capital structure and that, now that the directors of the company have agreed to place the proposition before the shareholders at the annual meeting, he deems his work done.

The recasting of the capital structure referred to is the proposal to split the shares of the company into preferred and common. Under this arrangement, assuming it is ratified by the shareholders, the present shares will get one new preferred and four new common of no par value for each two shares of $100 par value now held.

Is Largest Shareholder

Another matter which will come before the shareholders at the annual meeting will be the question of special compensation for the president, Æmilius Jarvis, for his work in connection with the acquirement of 86-2/3 per cent. of the stock of Wallace Fisheries by B. C. Fishing. The amount of the special compensation which may be voted so far has not been revealed. Incidentally, the president of the company will not be able to attend the annual meeting, having returned East for pressing personal reasons.

P. R. Gardiner is said to be the largest individual shareholder in B.C. Fishing, holding 1,000 shares in his own name, aside from those held by brokerage houses on margin accounts.

Ontario Companies May Take Larger Deposits

Two important changes have been made by the Ontario provincial government to the Loan and Trust Corporations Act of that province. The first change has regard to the investment of trust funds and the second deals with a proposed extension of borrowing powers.

The first change authorizes trust companies such as the Canada Trust Company and the National Trust Company authorized to do business for example in Quebec, to loan upon first mortgages or hypothecs in that province. At present trust companies may loan only upon securities authorized by the Trustee Act —"securities which are a first charge on land held in fee simple in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia." Quebec trust companies are authorized to loan upon first mortgages in Ontario.

The second change gives the Lieutenant-Governor-in-Council power to increase the amount that loan corporations may borrow, from the present limit of four times their paid-up capital and reserve fund, to an amount not exceeding eight times their capital and reserve fund. Similar legislation was proposed by the Minister of Finance at Ottawa, this month, but when the bill reached the standing committee on banking and commerce, the proposed legislation was amended, so that borrowing power was increased to five times the paid-up capital and reserve, instead of eight times, as had been originally proposed. Commenting on the proposed legislation, R. Leighton Foster, Superintendent of Insurance for the province of Ontario, says:

"Apart from the fact that chartered banks, which are the only competitors of loan corporations and trust companies in the deposit field, enjoy unlimited powers to borrow funds, and the fact that life insurance companies, which are increasing their mortgage investments, are unrestricted as to the amount of premium income they can accept, it is believed that the close supervision and regulation of the business of loan corporations under the act, together with the necessity of having any additional borrowing power authorized in each case by the Lieutenant-Governor-in-Council, renders the proposed extension of borrowing powers, which is necessary to the legitimate growth of the business of the more successful corporations, safe and reasonable in the interest of the corporations and the public."

Cauldfields Dairy Earns $2.14 on Common Stock

Satisfactory results were obtained by Caulfields Dairy, Ltd., during the past year, when sales totaled $278,136, as compared with $162,900 in the preceding year, an increase of 71 per cent. Gross profits amounted to $95,997, from which was deducted plant and delivery expenses, depreciation charges on fixed assets, and interest on preferred stock, leaving a net profit of $2.14 per share on the common.

This company was organized in 1924. Since then the management have been plowing back earnings, improving and adding to equipment and making general betterments.

The profit and loss account shows $5,780 carried forward at the end of 1926.

UNLISTED SECURITIES

	Bid	Asked
Brooks Motor, 1 pref. & com.	..	6
Do., 1 pref. & 2 com.	..	8
Can. Machinery, com.	5	6½
Can. Westinghouse, com.	184	190
Chase, A. W., com.	..	8
Do., pref.	..	80
Farmers Dairy, com.	62	..
Goodyear Tire, 6% pref.	97	..
Gunns, Ltd., pref. (new)	101	..
King Edward Hotel, Deb. A.	75	77
King Edward Hotel, Deb. B.	59	62
Loew's Buffalo, pref.	45	52
Nat. Grocers, 1st pref.	95½	98
Nat. Grocers, com.	..	5
Continental Life, 20% paid	42	52
Crown Life	150	..
Empire Life	26	30
Excelsior Life, 29% paid	65	..
Great West Life	420	440
Monarch Life, 10% paid	34	..
Mortgage Discount, pref.	7	7½
Ontario Equitable	27	29
Re-Insurance	27	30
Security Life, 40% paid	26	30
Sun Life, 75% paid	705	..
Toronto Finance, pref.	3	4
Canada Life	730	..
Capital Life, 20% paid	19	22
Farmers Dairy, pref.	100	104
Dom. Combing Units	30	36
Dom. Sewer Pipe	54	57

Stock Market Record

WEEK ENDING MARCH 22

	Div. Rate	Yield Mar. 21	High for wk.	Low for wk.	Close Mar. 22	Close Mar. 15	Sales for wk.	Range, 1927 High	Low
Banks—									
Commerce	12+1	5.38	241⅝	239	241	240	195	248	228
Dominion	12+1	5.74	229	227	228	229	65	230	217
Can. Nationale	10	6.06	165	165	165	165	21	165½	160½
Imperial	12+1	5.92	220	219½	220	219	68	223	214
Montreal	12+2	4.81	292	290	290	291	288	295	272
Nova Scotia	16	5.04	317	315	317	314	141	321	298
Royal	12+2	5.42	258	257	258	257½	352	266	257
Standard	12	5.87	204½	204	204	204	2	207	196
Toronto	12	5.15	233	232	233	231	6	238½	230
Paper—									
Abitibi, com. (no par)	5	5.58	91	89	90¼	91	2172	93	82
Do. pref.	7	5.98	118	117	117	116	55	118	113
Belgo-Can., pref.	7	6.84	103	102	102¼	102	150	103	101
Brompton (no par)	$2	6.34	32	31	32	32	1997	35	31
Fraser, pref.	7	7.17	97½	97¼	97¼	96¾	60	97½	96¾
Inter. Paper, com.	$2	3.57	58¼	55¼	55⅛	55¼	9300	60⅞	53½
Laurentide	6	5.82	104	101½	103	103	4342	110¾	98½
Price Bros. com.	2	3.33	60	60	60	59	180	63	59
Do. pref.	6½	6.37	102	101	101	101½	150	104	100¾
Prov. Paper, com.	6+1	5.49	128	126¼	128	127½	253	128½	115
Do. pref.	7	6.60	..	...	...	...	...	107	105¼
Smith, Howard, com.	.	...	61	60	61	61	220	68¼	60
Do. pref.	8	7.40	108	107	108	108	110	108	103½
Span. River, com.	7	6.98	101½	100	101	101¼	440	104¼	99
Do. pref.	7	6.08	115	114	114½	114	58	116½	112
Wayagamack	$3	6.25	48	46½	48	47	370	54¾	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	1	½	½	1	850	1⅝	¾
Do. 1st pref.	.	...	17⅞	10	15	18	850	22¼	10
Do. 2nd pref.	.	...	2⅝	1½	1½	3	3778	4	1½
Can. Car & Found., com.	.	...	41½	41	41	41¾	235	50¼	41
Do. pref.	7	7.69	91	90¼	90¼	90½	405	94½	89
Can. Fairbanks, pref.	6	7.31	..	...	...	...	...	82	80
Can. Forgings, com.	.	...	18½	18	18	18	228	24	18
Do. pref.	.	...	84	84	84	84	70	85	66
C.G.E. com. (par $50)	.	...	...	...	...	...	...	51	50
Do. pref. (par $50)	7	6.03	58¾	58	58	58¼	354	59¼	56¼
Can. Locomotive, com.	.	...	..	...	...	...	...	48	40
Do. pref.	7	7.95	88	88	88	89	5	89	85½
Canada Iron, com.	.	...	..	...	...	...	...	12	12
Do. pref.	4	7.61	52½	52½	52½	47	99	52½	42
Dominion Bridge	4+2	4.02	151	145	147	144¾	8646	151	116¾
Dominion Coal	.	...	72	72	72	72	25	75	71
Dominion Iron, pref.	.	...	4	3	4	5	20	5	3
Dom. Radiator, pref.	7	6.96	..	...	...	...	...	101¼	100
Dom. Steel Corp., pref.	.	...	21½	20	20	22½	215	25	20
Ford Motor	10	...	..	...	...	...	...	x622	500
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	14	13½	14	14	245	15	9⅞
Do. pref.	7	7.36	95	93½	94	93½	55	95	88½
McKin. Ind. c. (no par)	.	...	18	18	18	19	5	21	18
Do. Voting Trust	.	...	18	17	17	...	185	18	17
Do. pref.	7	6.42	94¼	93⅞	94¼	95¼	16	95½	93¼
Massey-Harris, com.	.	...	118¼	116	116	116	7502	118¼	67½
Do. (new)	.	...	30	29¼	29½	29¼	1785	30	29¼
Do. pref.	7	7.46	109	107½	109	109	484	109	103½
Ontario Steel, com.	4	5.26	76	76	76	74½	100	78	73
Do. pref.	7	7.00	100	100	100	100	75	102½	100
Page Hersey, c. (no par)	$3	4.76	68	64½	65	64	2073	68	55½
Do. pref.	7	5.14	136	127⅞	135	127½	1965	138	116
Pressed Metals, com.	.	...	39	39	39	39	5	39	34¼
Do. pref.	7	8.23	..	...	...	...	...	85	85
Russell Motor, com.	3	5.76	..	...	...	...	...	52	52
Do. pref.	7	7.21	97⅛	97⅛	97⅛	97⅛	10	97⅛	90⅛
Sawyer-Massey, com.	.	...	1	1	1	...	12	1	1
Do. pref.	.	...	22	14	22	6	121	22	5
Steel of Canada, com.	7	5.51	127	125¾	126¾	126	379	129½	117
Do. pref.	7	5.34	131	131	131	134	3	136	127
Milling and Foodstuffs—									
Alta. Pac. Grain, com.	.	...	23½	22½	22½	22½	90	27¼	22½
Do. pref.	7	7.69	91¼	89	91¼	91	197	92	87½
Arnolds, com. (no par)	.	...	21½	19¾	19¾	20½	580	26	18
Do. pref.	7	7.77	90	89½	90	92	111	95	84
Atlantic Sugar, com.	.	...	29	28½	29	29½	400	30½	27½
Do. pref.	.	...	93½	92	93½	92	340	93½	90
B.C. Fishing	5	6.25	80½	78	80	80	1510	94½	73
Can. Bak., com. (no par)	.	...	38½	30	36½	29	2416	38½	27
Do. pref.	7	6.93	101½	100	101	99½	26	101½	98
Can. Bread, com. (no par)	$5	4.31	116	103	115	102	1156	116	90
Do. pref. (A)	7	6.08	116	114¾	116	116	75	116	108½
Do. pref. (B)	7	6.23	112¼	111½	111½	110½	55	112¼	103
Can. Canners, com.	.	...	44	42	42¾	42¾	498	44	21
Do. pref.	4	4.65	86	84½	85⅝	86¾	1163	87½	76
Canadian Salt	8	5.88	136	135	136	135	15	136	123
Christie Brown (no par)	$1.20	3.08	..	...	...	...	...	40½	38
City Dairy, c. (par $25)	$3+1	3.81	105½	100	105¼	100	1734	107¾	79
Do. pref.	7	5.93	118	118	118	119	30	119	112
Cuban Can. Sugar, com.	.	...	3¼	3¼	3¼	3½	75	5	2¾
Do. pref.	.	...	36	35	35	36	395	37	29
Wm. Davies (A) (no par)	.	...	31½	27½	30	31½	1105	33	25
Do. (B) (no par)	.	...	..	...	...	...	...	9	9
Dominion Stores (no par)	$2.40	3.15	76¼	73½	76¼	74	1301	77	65
Hamilton Dairies, com.	.	...	32	30	30	31	229	33	24
Do. pref.	7	7.14	98	98	98	98	35	98½	96
Inter. Milling, pref.	7	6.66	105	104	105	104	35	107	104
Lake of Woods, com.	12	8.00	150	150	150	155	187	160	150
Do. pref.	7	6.03	..	...	...	...	...	117	115
Loblaw, com.	$1.25	2.50	..	...	...	...	...	51	48
Do. pref.	7	6.54	108⅛	107	107	108	26	108⅛	107
Maple Leaf Mill, com.	.	...	73⅛	65	70	65	688	75	61½
Do. pref.	7	7.03	101	99½	99½	100	59	101¼	99
Ogilvie Flour, com.	5	2.04	245	243	244½	245	10	250	205
Do. pref.	7	5.73	122	122	122	122	15	123	120¼
Pure Gold Mfg. (no par)	$1.50	7.90	20	19½	20	20	84	20	19¼
Shred. Wheat (no par)	$3	4.76	64	61½	61¾	60½	1486	65	55
St. Law. Flour, com.	.	...	30	30	30	30	30	31½	28
Do. pref.	7	8.43	83¼	83	83	83	25	84	83
Viau Biscuits, com.	.	...	22	20	20	21	14	26	20
Do. pref.	7	7.79	89¾	84⅞	89¾	86½	1134	89¾	83½
Western Gros., c. (no par)	$1	...	23	20	20	24	47	29	20
Do. pref.	7	8.75	80	79½	79½	80	179	84	74¼
West. Can. Flour (no par)	$1.40	5.83	24	23¾	24	23¾	288	24¼	22
Do. pref.	6½	6.37	..	...	...	...	...	103	100
Utilities—									
Bell Telephone	8	5.33	150	147	150	147	992	158½	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.61	181	178	181	180	104	181	171½
East Koot. Power, com.	.	...	..	...	...	...	...	29¼	26
Do. pref.	7	7.21	97	96½	97	97	15	98½	96¼
Inter. Util. (A) (no par)	$3.50	...	34⅞	34⅞	34⅞	35	100	35	28
Jamaica Pub. Ser., pref.	7	7.00	99	99	99	100	42	100	97
Laurentide Power	5	4.42	113½	112¾	113	107½	150	120	107½
Mackay, com.	7	5.78	123	120¼	121	125	206	127½	119
Do. pref.	4	5.63	71½	70½	70¾	71½	773	74	69¾
Mexican Light, com.	.	...	..	...	...	...	...	42½	27
Do. pref.	.	...	98½	98	98	90½	45	100	77¼
Mont. L H & Pr (no par)	$2	2.54	78½	76¼	78	76¼	8508	78½	68⅛
Montreal Teleg. (par $40)	8	5.23	..	...	...	...	...	50½	49¼
Nor. Mexico Pr., com.	1	...	56	56	56	56	205	59	42
Do. pref.	7	8.23	85	85	85	85	15	86	82½
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	28	28
Do. pref.	7	7.29	..	...	...	...	...	99½	96
Ottawa L. H. & Pr., com.	6	5.94	101	101	101	102	70	102	98½
Do. pref.	6½	6.19	105	105	105	104	28	105½	102
Quebec Power, com.	6	2.65	227½	207½	221½	207	9909	239½	190
Do. Rights	.	...	36¼	31¾	34¾	31¾	10028	36¼	31
Shawinigan	$2	2.66	75	71⅞	74½	72	12037	75	67
South. Can. Pr., com.	2	2.24	89	89	89	88	5	90	85
Do. pref.	6	5.91	101½	101	101	101	75	102	100
Transportation—									
Can. Pacific Rly.	10	5.46	187	183	183	185	291	190	166
Can. Steamships, com.	.	...	41¼	39	39	40⅛	4384	41¼	35
Do. pref.	6	6.89	88	87	87	89	3511	89¾	82½
Do. voting	.	...	37½	37	37	37	270	37½	32½
Tractions—									
Barcelona (par $50)	.	...	42	41¾	42	43	150	44¼	33½
Brazilian, com.	6	4.74	127¾	124¾	125	127½	28165	129½	102½
Do. pref.	6	5.12	117	114½	117	115	645	117	104
Detroit Un. Rly.	.	...	5	3	3½	4	205	5	2
Duluth-Superior	.	...	25	25	25	25	16	27½	25
Illinois Traction, pref.	6	...	..	...	...	...	...	x100½	96½
Montreal Trams.	10	5.55	180	180	180	180	45	180	169
Ottawa Traction	4+1	7.14	70	68½	70	68½	40	70	64
Porto Rico Rlys., com.	2	2.86	..	...	...	...	...	70⅝	59
Do. pref.	7	7.44	96	94	94	94	33	96	90
Twin City, com.	4	7.20	56	55	55	55	628	66	55
Do. pref.	7	7.00	..	...	...	...	...	100	100
Winnipeg Elec., com.	.	...	65	63	64½	63½	2592	66½	60¾
Do. pref.	7	6.74	103¾	102¼	102¼	102¼	30	105	100¾
Textiles—									
Can. Conn. Cotton, pref.	4	9.37	43	42½	42¾	43	19	50	36
Can. Converters	7	6.93	101	100⅛	101	100½	44	102¼	100
Can. Cotton, com.	8	6.40	125	124	125	123	35	125	120
Do. pref.	6	6.00	..	...	...	...	...	100	95
Can. Woollens, com.	.	...	..	...	...	...	...	10	6
Do. pref.	.	...	..	...	...	...	...	63½	60
Cosmos Imp., com.	.	...	22	17½	20	18	8573	22	13
Do. pref.	7	7.17	98	97	97⅞	96½	134	98	91¼
Dom. Textile, com.	5	4.31	116	109½	114½	110	5163	116	105
Do. pref.	7	5.78	..	...	...	...	...	121	117
Monarch Knitting, com.	.	...	..	...	...	...	...	7½	7½
Do. pref.	.	...	..	...	...	...	...	54	50
Montreal Cottons, com.	6	5.31	..	...	...	...	...	115	110
Do. pref.	7	6.03	..	...	...	...	...	118	115
Penmans, com.	8+2	4.58	218½	216	218	216	425	218½	182¼
Do. pref.	6	5.88	..	...	...	...	...	103	101½
Wabasso Cotton	6	6.48	92½	92½	92½	110	110	116	92½
Do. Rights	.	...	16¼	15¾	15¾	...	112	16¼	15¾
General Industrials—									
Amer. Sales, c. (par $20)	4	5.47	75	70	74½	69	411	75	67
Do. pref.	7	7.03	100	99	99½	100	50	100	97½
Asbestos Corp., com.	.	...	22	20½	20½	21⅞	1350	24¾	21
Do. pref.	7	8.26	85¾	81¾	85	84⅞	998	87½	82¾
Building Products, pref.	7	7.29	96	96	96	95¼	30	96¼	93½
Brant. Cd. pf. (par $25)	8	8.33	24½	23¾	24⅝	24¼	427	25	21
Burt, F. N., com.	12	5.17	59¼	57	58	56⅝	363	65¼	56½
Do. pref.	7	3.33	..	...	...	...	...	x210⅛	x210⅛
Canada Cement, com.	6	4.52	135½	132½	134½	134	953	139	124½
Do. pref.	7	5.98	118½	116	118½	116½	190	120¼	116
C. Ind. Alc. (no par)	$1.28	4.92	27	25½	25⅝	27	7012	28	21¼
Canadian Oil, com.	5	3.73	135	131½	134	130	41	135	99
Do. pref.	8	6.72	120⅛	118½	120	119	78	120⅛	115½
Crow's Nest Coal	6	9.30	64½	64½	64½	64	10	66½	63½
Dom. Glass, com.	7	6.25	113	107¾	112¼	108½	1474	113	104
Do. pref.	7	6.18	113¼	113¼	113¼	113	25	114½	112
Dom. Rubber, pref.	7	8.75	..	...	...	...	...	x87½	80
East. Theat., c. (par $25)	.	...	26½	26½	26½	27¼	25	30	24
Do. pref.	7	7.36	95	92½	92½	95	60	95	92½
Famous Players, com.	.	...	27	24	24	28½	37	30	20
Do. pref.	8	8.16	98	96	98	98	47	101	93¾
Gilman, com.	6	4.91	..	...	...	...	...	x127⅛	104½
Do. pref.	7	5.83	..	...	...	...	...	125	114
Goodyear Tire, pref.	7	6.79	104¼	101⅝	101⅝	104¼	285	109	94½
Holt, Renfrew, com.	.	...	..	...	...	...	...	43	43
Do. pref.	7	7.77	..	...	...	...	...	90	85
King Ed. Hotel	.	...	29	26	28	27½	412	29¼	20
Laura Secord, com.	.	...	29	29	29	29	225	29	29
Do. pref.	7	6.79	104¼	102	104½	102	239	104½	102
Lyall Construction	.	...	..	...	...	...	...	45½	35¾
Loew's, com.	.	...	..	...	...	...	...	43	38
Do. pref.	7	6.79	103	103	103	103	5	103	96½
Nat. Brew., c. (par $25)	4	5.92	69½	67	67½	69	2347	71⅝	65
Do. pref.	7	6.54	107	107	107	108½	200	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	10.00	70	70	70	70	22	81	65
Pacific Burt, com.	6	6.80	87	87	87	88	35	89½	87
Do. pref.	7	6.86	102	102	102	103½	7	108	102
Port Hope Sanitary, com.	3	2.30	..	...	...	...	...	130	125
Do. pref.	7	6.54	..	...	...	...	...	107	90
Rogers, Wm., com.	.	...	80	79	80	76	330	80	64
Do. pref.	7	7.00	95	95	95	99	10	100	92
Seagram (no par)	.	...	24	22½	23⅞	23⅞	7126	26⅞	15
Sher-Williams, com.	6	3.89	155	152	155	155	243	155½	142
Do. pref.	7	5.83	120	120	120	120	6	120½	118
Sterling Coal	4	11.11	..	...	...	...	...	36	36
Tooke Bros., com.	.	...	..	...	...	...	...	x8	8
Do. pref.	7	8.53	82	81	82	81	25	89	80
Tuckett Tobacco, com.	4	5.61	71¼	71	71	70	40	72	69
Do. pref.	7	6.66	105	105	105	105	20	106¼	104
Woods Mfg., com.	.	...	..	...	...	...	...	45	39
Do. pref.	7	8.75	..	...	...	...	...	89	80
Trust and Loan—									
Can. Landed (par $50)	10+1	5.57	98¾	98¾	98¾	100	12	100½	94
Can. Permanent	12	5.50	218	218	218	217	24	221	216¼
Colonial Invest.	6	...	..	...	...	...	...	7	6¼
Huron & Erie	7+½	5.28	..	...	...	...	...	142	139
Landed Banking	9	5.59	..	...	...	...	...	161	161
Montreal Loan (par $50)	12+1	6.19	52¾	50	50	...	12	52¾	50
National Trust	12	4.95	242	242	242	242	30	255	232
Ontario Loan (par $50)	12	5.12	..	...	...	...	...	117	111
Real Estate Loan	7	7.00	..	...	...	...	...	100	100
Toronto Gen. Trusts	12	5.15	233	233	233	228	22	233	220
Toronto Mtge. (par $50)	10+1	5.39	..	...	...	...	...	102	100
Union Trust	7	6.48	..	...	...	...	...	108	104
CURB AND UNLISTED MARKETS									
Anticosti, pref.	7	7.14	..	...	...	...	...	98¾	98
Attendu Engine (par $1)	.	...	22	18	18½	23½	1031	35¼	14
Bawlf Grain	.	...	..	...	...	...	...	98	98
Beacon Oil	.	...	16½	15¾	16½	17½	566	20¾	15¾
Belding, com.	6	8.10	74	70	74	75	6	88	70
Do. pref.	7	7.00	100	100	100	100	1	100	100
Brit. Amer. Oil (no par)	80c	3.20	26½	22⅞	26⅝	22¾	35376	26½	20
B. C. Oilfields	.	...	..	...	...	...	...	2¾	2¼
Brew. & Distil. (par $5)	5	...	4½	4½	4½	4¾	20	5½	4½
Can. Brewing	.	...	25½	24	25	25	525	30¼	25
Can. Nor. Pr. c.. (no par)	.	...	51	51	51	51	2	52	42
Do. pref.	7	7.07	99	99	99	99½	50	99½	98½
Cockshutt, pref.	4	5.71	72	70	70	72	60	77	70
Continental Oil	$1	5.26	19¾	19¾	19¾	20½	100	22¼	19¾
Cosgrave Brew. (par $10)	5	6.66	7¾	7⅝	7⅝	7¾	905	8	7
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	10¾	10¾
Do. pref.	4	...	..	...	...	...	...	50½	50½
Com. Alcohol	.	...	56	56	56	54	5	56	49½
Dom. Engineering	8	4.44	180	169¾	180	169¾	105	180	135
Dryden Power (no par)	.	...	12¼	11	11	12	365	15½	11
Can. L. & P.	.	...	25¾	21	25	20¾	978	25¾	20
Eastern Dairies (no par)	.	...	23	22¾	22¾	23	63	23¼	20½
Do. pref.	7	7.44	..	...	...	...	...	96½	94
Eng. Elec., com. (no par)	.	...	..	...	...	...	...	16	15
Do. pref.	.	...	..	...	...	...	...	76½	72½
Federal Distillery	.	...	..	...	...	...	...	6½	6
Good. & Worts (no par)	$1	1.80	57½	53¼	57	54⅞	4780	58½	43
Hiram Walker	.	...	37½	34⅞	37	36½	7327	42	28½
Illinois Power, pref.	7	7.08	..	...	...	...	...	100½	98
Imperial Oil	$1+12½	2.66	43	41¾	42	42¾	6016	46¼	37¾
Imp. Tobacco, c. (no par)	6	...	7	6¾	6⅞	7	655	7⅛	6¾
Inter. Petroleum	75c	2.42	31¼	30½	30¾	31	2355	35¼	30½
Inter. Power	.	...	17	17	17	14½	20	17	14½
Manitoba Power (no par)	.	...	57	55	56	56	50	58½	50
McColl, com. (no par)	80c	2.38	33⅝	28¼	32½	28½	2325	36⅝	22½
Do. pref.	7	6.54	107	105	107	105	155	107	100
Mount Royal, com.	.	...	..	...	...	...	...	6	4½
Do. pref.	1½	...	..	...	...	...	...	55¾	54
North Star Oil, com.	.	...	200	190	200	200	108	200	115
Do. pref.	7	...	..	...	...	...	...	501	490
N.S. Car, com.	.	...	..	...	...	...	...	25	18¼
Ott. Mtl. Pr., c. (no par)	.	...	..	...	...	...	...	21	18¾
Do. pref.	7	7.36	..	...	...	...	...	48⅝	47½
Ottawa Riv. Pr. (no par)	.	...	25½	25½	25½	26	10	26	25
Paton Mfg., com. (no par)	.	...	..	...	...	...	...	56	55
Do. pref.	.	...	99	99	99	99	5	100	99
Power Corp., c.. (no par)	.	...	28¼	27¾	27¾	28¼	740	29¾	27½
Do. pref.	6	6.21	96½	96½	96½	97	30	97½	94
Port Alfred, pref.	7	7.36	..	...	...	...	...	97½	95
Que. South. Pr. (no par)	.	...	..	...	...	...	...	28½	25
St. Maur. Power	.	...	103	97	102	97	1156	103	96
St. Maur. Valley, com.	.	...	55	50	55	48	850	56½	47
Do. pref.	7	7.73	90½	90½	90½	97¼	500	98	90½
Simpson, Robt., pref.	6	5.88	..	...	...	...	...	102	100½
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	200	200
St. Law. Pap., c. (no par)	.	...	41¼	40	41	41	186	54	40
Do. pref.	8	7.54	..	...	...	...	...	108	105
Standard Clay	.	...	..	...	...	...	...	40	39
Toronto Dairy	.	...	..	...	...	...	...	90½	90½
Toronto R.S.	.	...	150	150	150	150	280	150	150
United Secs., com.	.	...	45	45	45	45	25	51	45
Do. pref.	6	5.76	105	104	104	105	20	105¼	104
Volcanic Oil	63c	...	..	...	...	...	...	39	36
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7½	6¼

x Quotations for 1926. No sales recorded in 1927 to date.

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The Royal Bank of Canada

G729

REORGANIZATION OF BESCO WILL PROCEED SHORTLY

(Continued from page 1)

Besco common shareholders April 13 at 3 p.m. Following these meetings there will be a special general meeting of the British Empire Steel Corporation on April 14, at 11 a.m.

Remarks of President

Accompanying the notice of these meetings going forward to the Besco shareholders, there is a notice over the signature of R. M. Wolvin, president of the corporation, which says in part:

"The executive of this company for years past, and in co-operation with the receiver since its appointment, have pressed upon the government of Canada the absolute necessity of a readjustment of the tariff on steel products and that encouragement should be granted for the establishment of coking plants if great national coal and steel industries were to be permanently established in Canada. You have from time to time been advised of our activities in this regard. The reasons urged by your executive were approved by the Duncan Commission in its report on Maritime trade conditions, and the general consensus of opinion was that the recommendations in that report would be implemented by parliament.

"Your directors have realized the importance of the earliest possible reorganization of the corporation and its subsidiaries, but so many different classes of senior and junior securities are involved that it was considered unwise to submit any plans for your consideration until the assistance to be given by the government to the steel industry was known. It was hoped that some satisfactory proposal could be made to the bondholders of the Dominion Iron and Steel Company, which would be accepted by them, and thus obviate the necessity of the realization of the assets of that company and of the bondholders taking their money out of the industry.

Reorganization First

"The National Trust Company was of the opinion that before the policy of the government was indicated, steps should be taken to liquidate and reorganize the British Empire Steel Corporation and the Dominion Steel Corporation, and the the Dominion Steel Corporation, and have applied to the Supreme Court of Nova Scotia for immediate action for that purpose. The directors of the Dominion Iron and Steel Company instructed counsel to oppose these proceedings on the grounds that no steps ought to be taken until a meeting of the shareholders could be held.

"In view of possible liquidation, the directors of your company deem it advisable that the different classes of shareholders should also hold meetings for the consideration of their own position. For this reason the directors are calling separate meetings of the first preference, second preference and common shareholders, so that if it is considered advisable, they may appoint committees to protect their interests."

Admitted to Curb

MONTREAL.—The Montreal Curb Market announces the election of J. P. Perodeau as a member of the exchange. Mr. Perodeau, who is a son of His Honor, Lieutenant-Governor Perodeau, of Quebec, has for some time been associated with Bruneau & Rainville, members of the Montreal Stock Exchange and Montreal Curb Market.

The Finest and Most Complete Showing of
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Montreal's growth has established confidence in the stability of real estate values in important districts.

On Drummond Street, in the heart of the hotel, shopping and theatre district, is the new apartment-hotel, the La Salle, meeting needs of city residents and of a constantly-increasing number of tourists.

In the growing section of St. Catherine Street West is the Automobile Sales Building, rented largely to motor interests. It is estimated that revenue from both buildings will be sufficient to pay bond interest requirements more than twice over, which would provide a satisfactory return on the common stock. The bonds of both companies carry a bonus of common stock.

We Offer:

DRUMMOND STREET REALTY CORP. (The La Salle) Refunding S.F. Mortgage 6½% Gold Bonds

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Further particulars on request.

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MEMBERS: Montreal Stock Exchange, Toronto Stock Exchange, Montreal Curb Market, Winnipeg Grain Exchange, Chicago Board of Trade.

Pulp & Paper

ST. MAURICE CORP. SHOWS EARNINGS $6.44 PER SHARE

Thirteen Months' Statement Indicates Strong Position of Company

From Our Own Correspondent

MONTREAL. — The first annual report of the St. Maurice Valley Corporation covering the thirteen month period ending December 31, 1926, showed, after substantial depreciation and depletion allowances, earnings for the year were equivalent to $6.44 per share on the 160,000 shares of no par value common stock outstanding. The showing which was made was perhaps a little better than was generally anticipated due perhaps to the fact that the income account covered a thirteen month period. In addition to profits which showed both the bond interest and preferred dividends earned by a substantial margin, the balance sheet and working capital positions proved gratifying to the shareholders. The balance sheet shows that the corporation is in a satisfactory position to enter the present year which has had its initial months marked by some hesitancy in the newsprint market.

The corporation's first income account, working capital figures and balance sheet figures follow:

Gross. oper. profit	$4,735,856
Depreciation and depletion	1,065,709
	3,670,147
Belgo bond interest	568,629
Belgo preferred dividend	372,758
Can. Paper bond interest	124,345
Can. Paper preferred dividend	87,500
	2,516,915
Bond and bank interest	574,859
	1,942,056
Preferred dividends	563,801
Belgo minimum dividend	22,836
	1,355,419
To contingent account	325,000
To surplus account	1,030,419
Earned on common	$6.44 per share
Current assets	$9,772,365
Current liabilities	4,488,479
Working capital	$5,283,886
Assets	
Fixed	$44,269,227
Current	9,772,365
Deferred	157,660
	$54,199,253
Liabilities	
Preferred stocks	$14,250,000
Bonds	21,211,833
Current	4,488,479
Reserves	1,688,836
Com. stock and surplus	12,560,103
	$54,199,253

Statements Consolidated

These figures embody the consolidated statements of the St. Maurice Valley Corporation and its two subsidiaries, the Belgo-Canadian Paper Company and the Canada Paper Company. While 1926 was the initial year of operation, it will be seen that the corporation has a substantial surplus applicable to its common shares. This surplus gives the common stock a book value of over $78 per share.

In the balance sheet the corporation carries its one-third interest in the Anticosti Corporation at $1. Standing in the liabilities and carried under the head of reserves, the corporation carries an item of $46,900, representing the common shares of the Belgo-Canadian Paper still outstanding; the full total of the subsidiary company's assets is naturally carried amongst the corporation's assets to offset this liability.

Remarks to Shareholders

In his remarks to the shareholders, Sir Herbert S. Holt, the president, says in part:

"Production for the period was as follows: Newsprint, 213,883 tons; kraft pulp, 21,514 tons; wrappers, 3,231 tons; book and writing papers, 3,902 tons, in addition to which other specialties were made at the mills of the Canada Paper Company.

"Construction work has been completed on two new newsprint machines and auxiliary groundwood and sulphite mills at Shawinigan Falls. This increases the newsprint capacity two hundred tons per day and the machines are now being successfully operated.

"During the year your corporation acquired a one-third interest in the Anticosti Corporation, owners of the island of Anticosti, situated in the Gulf of St. Lawrence. The island is conservatively estimated to contain 15,000,000 cords of pulpwood and adds materially to the timber reserves of your corporation."

Any comparison of the corporation's earnings with those of its constituent companies in previous years is difficult, for, in the first place, the corporation has increased its production materially during the year, and the earnings of the Canada Paper Company are not available. However, at the time the corporation was first financed, it was stated that the average earnings over the past six years available for bond interest, depreciation and income taxes, were $2,261,627. This figure did not include the earnings of the Canada Paper Company.

Scott Paper Company Enters Nova Scotia

Scott Paper Company, of Chester, Pa., has taken over the property of the Nova Scotia Wood Pulp and Paper Company at Charleston, Queens County, N.S.

The amount involved in the transaction is said to be $250,000.

The Scott Company will continue to operate the mill at Charleston, and will carry on in much the same manner as the Nova Scotia Wood Pulp and Paper Company. Later, it is understood, some extensive development of the timber areas will be carried on by the Scott Company, which is one of the largest of its kind in the United States.

Lake Saint John Paper Cuts 60,000 Cords of Wood

From Our Own Correspondent

MONTREAL.—The Lake St. John Power and Paper Company has already cut some 60,000 cords of pulpwood, which will be brought down with the spring drive. Satisfactory progress is being made on the erection of the mill, and one large building is already up, and others have steel under construction. The steel work is being supplied by the Dominion Bridge Company, and the construction material has been hauled by teams over an excellent road, 25 miles from the head of the railroad at St. Felicien. This road has been open for many years, for it leads to a settlement at Mistassini, where is located a large Trappist Monastry. The town growing up about the new paper mill is known as Dolbeau, P. Q.

Industrial Developments on Saguenay to Increase

From Our Own Correspondent.

MONTREAL.—Apparently there is to be an even greater industrial development of the Saguenay and Lake Saint John districts, in the province of Quebec, for a syndicate, said to be one of the strongest ever formed in England, has been organized there to develop railways, paper and mineral possibilities of this section of the province.

Advices from Great Britain indicate that the syndicate has already raised $5,000,000 and has declared to the agent-general of the province of Quebec in London that it is willing to spend $500,000,000 in the next five years. It is understood that four large British capitalists will arrive in Quebec in May to undertake further negotiations with the provincial government.

Anticosti Appoints Managers

MONTREAL.—The Anticosti Corporation has appointed Guy Tombs, Limited, traffic managers of the Anticosti Shipping Company, operating the steamship "Fleurus" between Quebec and Anticosti, and the steamship "Sable Island" between Montreal, Anticosti, and north shore points. These steamers will handle both freight and passenger service with the opening of navigation on the St. Lawrence.

How to Figure Income Tax on New Schedule

Dominion Securities Corporation have prepared a table to show how Dominion income tax under the new schedule can be figured. The table is based upon the new rates announced by the Minister of Finance on February 17.

In column A are shown the amounts upon which the tax is figured after all deductions have been made.

In column B the per cent. rate of tax is given. Note: This per cent. is figured on the amount of the increase in the taxable income. For example—the $160 tax (old basis column C) is made up—

2% on the first	$2,000	$ 40
3% on the next	1,000	30
4% on the next	1,000	40
5% on the final	1,000	50
	$5,000	$160

In column C the amount of the 1926 tax is shown based on the taxable income in column A.

Column D shows the net amount of the tax to be paid in 1927 after deducting 10 per cent. as provided in the new budget.

Note—When the taxable income lies between the amounts shown in column A, the excess amount is figured at the next highest per cent. rate. For example: If the taxable income is $2,500, figure 2 per cent. on $2,000, or $40, plus 3 per cent. on the excess amount $500, or $15, making a total tax to be paid of $55.

On taxable income of less than $2,000 the rate is 2 per cent.

Taxable Income	Tax Rate %	Amount of Tax (Old Basis)	Net Amount of Tax (New Basis)
$2,000	2%	$40	$36
3,000	3%	70	63
4,000	4%	110	99
5,000	5%	160	144
6,000	6%	220	198
7,000	7%	290	261
8,000	8%	370	333
9,000	9%	460	414
10,000	10%	560	504
11,000	11%	670	603
12,000	12%	790	711
13,000	13%	920	828
14,000	14%	1,060	954
15,000	15%	1,210	1,089
16,000	16%	1,370	1,233
17.000	17%	1,540	1,386
18,000	18%	1,720	1,548
19,000	19%	1,910	1,719
20,000	20%	2,110	1,899
25,000	21%	3,160	2,844
30,000	22%	4,260	3,834
35,000	23%	5140	4,869
40,000	24%	6,610	5,949
45,000	25%	7,860	7,074
50,000	26%	9,160	8,244
55,000	27%	10,510	9,459
60,000	28%	11,910	10,719
65,000	29%	13,360	12,024
70,000	30%	14,860	13,374
75,000	31%	16,410	14,769
80,000	32%	18,010	16,209
85,000	33%	19,660	17,694
90,000	34%	21,360	19,224
95,000	35%	23,110	20,799
100,000	36%	24,910	22,419
110,000	37%	28,610	25,749
120,000	38%	32,410	29,169
130,000	39%	36,310	32,679
140,000	40%	40,310	36,279
150,000	41%	44,410	39,969
175,000	42%	54,910	49,419
200,000	43%	65,660	59,094
250,000	44%	87,660	78,894
300,000	45%	110,160	99,144
350,000	46%	133,160	119,844
400,000	47%	156,660	140,994
450,000	48%	180,660	162,594
500,000	49%	205,160	184,644
Over 500,000	50%		

Example

A married person with three children under eighteen years, whose wife is not in receipt of a separate income in excess of $1,500, the total income being		$15,550.00
Made up— salary and commission	$15,000.00	
Interest on $10,000 par value tax free bonds	550.00	
		$15,550.00
To arrive at the taxable income deduct:		
Statutory exemption— married person	$ 3,000.00	
Three children — $500 exemption for each child	1,500.00	
Tax free bonds	550.00	
		$ 5,050.00
This leaves taxable income at		$10,500.00
Referring to the table the tax is figured as follows:		
On $10,000	$560.00	
On $500 (11% on $500)	55.00	
Total	$615.00	
Less 10%	61.50	
Net amount of tax	$553.50	
Therefore the net income is		$14,996.50
If 6½% taxable corporation or foreign bonds are subsituted for the tax free bonds, the the total income is		$15,650.00
Made up— salary and commission	$15,000.00	
Interest on $10,000 par value taxable bonds	650.00	
		15,650.00
Deduct—Statutory exemption:		
Married person	$ 3,000.00	
Three children	1,500.00	
		4,500.00
This leaves taxable income at		$11,150.00
Referring to the table the tax is figured as follows:		
On $11,000	$670.00	
On $150 (12% on $150)	18.00	
Total	$688.00	
Less 10%	68.80	
Net amount of tax	$619.20	
Therefore the net income, with taxable bonds, is		$15,030.80
Whereas the net income with tax free bonds was		14,996.50
Net gain		$ 34.30

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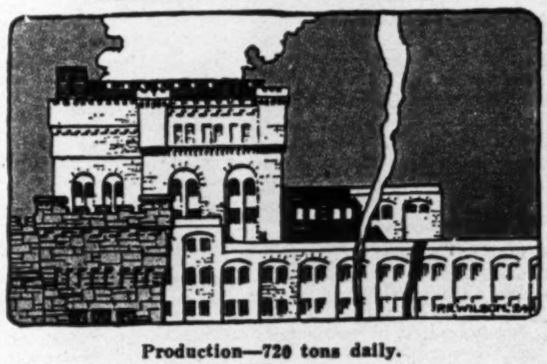

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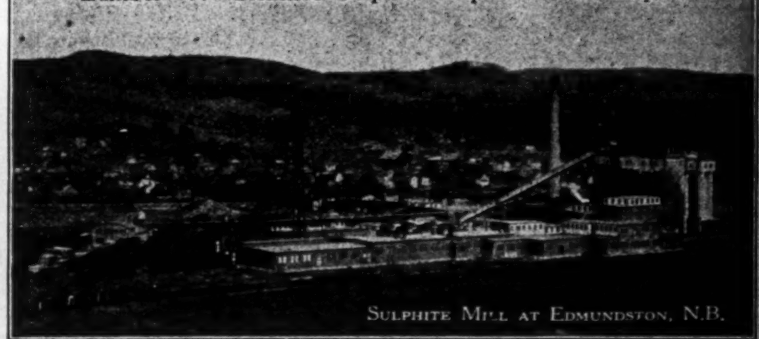

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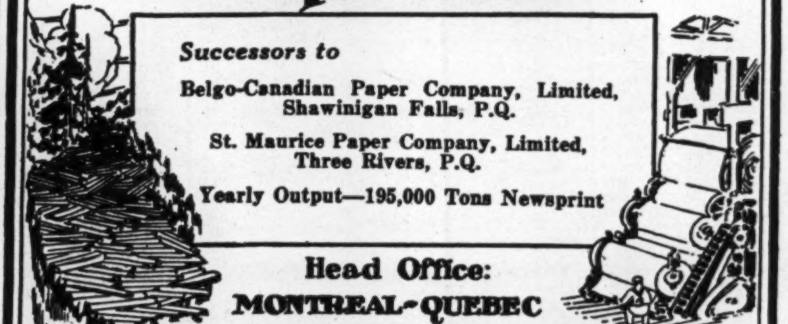
St. Maurice Valley Corporation



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Head Office:
MONTREAL-QUEBEC

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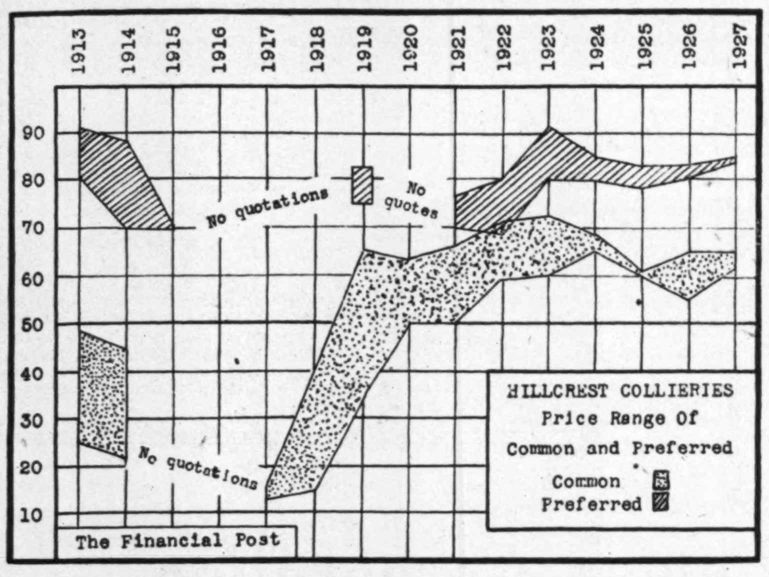
Hillcrest Shares Have High Yield

Hillcrest Collieries Preferred and Common Have Attractions for Business Man's Investment — Company's Position Strong

From Our Own Correspondent.



MONTREAL.—With the steady appreciation in stock market prices which has been maintained since 1921, most of the sound and even some of the fairly sound stocks are now selling at prices which give the investor a yield below that which he can obtain from excellent bonds or debentures. More and more are investors scanning the stock market lists to find securities from which they can obtain a good yield at present market prices, and here and there tucked away among the many stocks listed, there are one or two securities from which a good yield is obtainable. There are one or two interesting stocks in this group, one of which is Hillcrest Collieries, Limited.

Both Stocks Are Listed

Both the preferred and the common stocks of the company are listed on the Montreal Stock Exchange. The fact that sales and quotations are rather infrequent is, of course, why they have escaped the attention of the investor and why, perhaps, the shares are not more popular.

There are many points about both issues of stock which are interesting; the preferred, which at present prices yields over 8¼ per cent., looks to be a good investment for those who wish to obtain a preferred stock backed up by ample assets, and at the same time increase the average yield from their investments. The common yields at present prices 10 per cent. and has, of course, more speculative attraction than the preferred.

Always Paid Preferred

Hillcrest Collieries was organized in 1910 and dividends of 7 per cent. on the preferred shares have been paid since that date without interruption. The common shares first paid a dividend at the close of 1918. The rate was increased from 4 to 6 per cent. at the close of 1919, and this last rate has been maintained since then.

The company was one of the pioneer mining operators in Crow's Nest Pass field. It owns and operates three mines at Hillcrest, Alberta, which is situated on the Canadian Pacific Railway about fourteen miles east of the highest point of the Crow's Nest Pass. The company publishes no production figures, but it is understood that the mines produce about 20,000 tons of coal a month, of which 14,000 or 15,000 tons are sold to the Canadian Pacific Railway, and the remainder is sold to coal dealers. The fact that the company sells about 75 per cent. of its output to the railway indicates clearly the high grade of coal which comes from its mines, for the railways are astute buyers and purchase only at the lowest cost per heat unit.

What of the Future?

While the company's dividend record proves that it has been successful, the investor is more interested in the future than the past, and in any mining operation the extent of the reserves is always the outstanding fundamental, which gives a present value to its securities. Hillcrest Collieries owns the mining rights on 6 square miles and has already proved up coal areas, sufficient to last a minimum of 50 years at the present rate of production.

One of the reasons why the stock has not enjoyed that popularity which it probably deserves has been due to the depressed state of the coal-mining industry in Alberta generally. The industry is over-expanded and the multiplicity of operators, most of whom earn but a poor living, has resulted in less efficient mining methods. Then, again, because Alberta coals are so accessible, many operators have started out on a shoestring, and, if one mine closes down, new ones start. Thus, the whole coal industry in Alberta has been in the doldrums. Thus, too, investors are accustomed to look askance at the security of western coal mines.

Are Always Some Successful

But, as in other industries which are in difficulty, there are always some companies which are able to maintain and carry on a satisfactory business. One such as this is Hillcrest Collieries.

The results which have been achieved naturally reflect credit on the management and indicate that for the future the outlook is of a satisfactory nature, despite the fact that in 1925 the company experienced, like the other Alberta producers, labor troubles, which materially reduced its earning power. The relations between the company and its employees appear to be improving. The men are at present working under an agreement which expires in the autumn of 1928.

One of the satisfactory points about the company is the character of its management. When any company has as its president Sir Charles Gordon, and has Sir Herbert Holt on the board, the investor is certainly not wasting his time in giving his consideration to investing in the securities of such an organization.

Financial Position Strong

The Hillcrest Collieries has always kept itself in a strong financial position, and, at the close of the 1926 fiscal year, current assets amounted to $660,524, as compared with current liabilities of only $95,746. On the asset side of the balance sheet the company carries only two items: current assets and plant account. Plant account is carried at $1,981,424, so that total assets amount to $2,641,948.

Against this plant account on the liability side of the balance sheet, there are $325,000 first mortgage bonds, due in 1940. There is $705,700 in 7 per cent., preferred stock, and $1,000,000 in common stock. The reserve and surplus account amount to over $500,000.

The market action in both the preferred and common shares is seen in the chart accompanying this article. There seems to be little chance of much real appreciation in the preferred stock, but any investor who is desirous of increasing the average yield of his investment and, at the same time, being assured of a good earning power, coupled with large assets behind his securities, would do well to consider the preferred issue.

Common Yields 10 Per Cent.

The common shares, of course, are in an entirely different category, yet they hold attraction, for there seem to be but few other stocks, if any, which yield 10 per cent., and at the same time have a similar equity and earning power behind the stock.

The chart of the market action of the shares shows that trades in these shares are comparatively few and far between. In 1916, 1917, 1918, and 1920, no preferred shares changed hands and no common changed hands between 1915 and 1916.

However, this feature of the shares should not prove much of a deterrent to their purchase, for such stock should only be purchased for a long hold.

The figures which follow show the company's income account over the past few years and clearly reveal the ratio of earnings to dividend requirements:

	1926	1925	1924	1923	1922	1921
Net operating revenue	107,695	61,106	4,797	117,958	91,961	100,192
Miscellaneous revenue	37,647	44,747	52,194	37,704	34,770	33,473
Total	145,342	105,853	56,991	155,662	126,731	133,665
Bond interest	16,250	16,250	16,250	16,250	16,250	16,250
	129,092	89,603	40,741	139,412	110,481	117,415
Preferred dividends	49,399	49,399	49,399	49,399	49,399	49,399
	79,693	40,204	8,658x	90,013	61,082	68,016
Common dividends	60,000	60,000	60,000	60,000	60,000	60,000
To reserves and surplus	19,693	19,796x	68,658x	30,013	1,082	8,016

x Deficit. Labor troubles closed mines for five months in 1925.

DIVIDEND BENEFITS DOMINION BRIDGE

Dominion Engineering 8% Declaration Means $1.50 a Share to "Bridge"

From Our Own Correspondent.

MONTREAL.—The placing of the shares of the Dominion Engineering Works on an 8 per cent. dividend basis means that the Dominion Bridge Company, the parent company, which owns over 57 per cent. of the 22,333 shares of stock issued, will receive $1.50 per share on its own stock per annum from the subsidiary.

Not only is the subsidiary company doing excellent business, but the position of Dominion Bridge itself seems to be more than favorable, for, in the first place, earnings should begin shortly to accrue from the company's work on the immense Montreal South Shore bridge and, secondly, new industrial developments continue to bring further structural steel orders to the company.

Earnings Will Be High

The Montreal bridge provides the company with a steady load on its plant, which should cover many overhead costs, and the additional high level of constructural activities thus seems to indicate very substantial earnings for the current year.

The rise in the price of the Dominion Bridge shares has started rumors indicating that there will be some interesting developments in the company, but it seems more reasonable to presume that interesting developments might take place in the subsidiary company in the shape of a split up in the stock before the close of 1927. In the meantime, the Dominion Bridge Company has contracts which will keep its plants busy during the next two years.

The rapid appreciation in the price of "Bridge" stock is in keeping with its past record, for earnings fluctuate widely, depending very largely on the level of industrial constructional activities in the Dominion.

In 1926 Quebec province had 107,994 motor vehicles in use.

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While wheat, of course, is the largest revenue producer in Saskatchewan (and Nature has smiled again this season in that respect,) many other sources of wealth should not be overlooked. Coarse grains, forage, dairying, farm animals, manufactures, coal mining, fur trading, produce many millions of dollars annually and tend to stabilize the flow of revenue into a steady all-year-round stream. The pool system of marketing wheat, by which farmers receive payment for grain in several installments throughout the year, is also a strong factor to this end.

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Public Utilities

BALANCE SHEET OF C.S.L. SHOWS POSITION BETTER

Earnings Increased and Company Now Able to Present Sound Statement

From Our Own Correspondent.

MONTREAL.—The result of several years' hard work of the management of the Canada Steamship Lines culminated in the publication of a satisfactory balance sheet for the 1926 fiscal year. The results achieved were just slightly better than the estimate made by the management at the time the company acquired the Playfair and George Hall lines. The net profits for the year amounted to $1,211,409, which was carried into the profit and loss account on the balance sheet as the company only recommenced dividend payment on its preferred stock for the first quarter of the current year.

The preferred dividend requirements for the current year amount to $900,000 and thus, while earnings in 1926 indicate that $2.60 per share is applicable to the common stock, yet this figure does not present a proper picture of the situation, for the company's sinking fund requirements are $350,000 a year which will later be increased to $400,000 per annum.

The Figures Compared

The company is in a good working capital position, which is revealed in the following figures which compare the profit and loss and working capital figures over the past three years:

	1926	1925	1924
Tot. rev.	$15,214,455	$10,520,699	$10,435,115
Expenses	11,416,064	8,167,624	8,779,087
Op. profit	3,798,390	2,353,075	1,656,027
Deduct:			
Interest	1,188,766	671,021	699,012
Depreciation	1,230,544	737,964	734,064
Bad debts	18,362	73,958	13,582
Bond disc.	29,207	67,289	65,548
Net prof	1,331,409	802,841	143,818
Income tax	120,000	87,000	......
Sales loss	......	......	16,017
Net income	1,211,409	715,841	127,801
Prev. bal.	......	1,596,550	1,468,749
Total	1,211,409	2,312,391	1,596,550

Working Capital

	1926	1925	1924
Curr. assets	$6,512,922	$5,027,400	$3,853,116
Curr. liabs.	2,226,318	1,172,053	1,005,937
Work. cap.	4,286,604	3,855,347	2,847,179

The foregoing satisfactory results were obtained despite the fact that there was a large drop in the passenger traffic during the month of August, and transportation was held up at the end of the season due to bad ice conditions.

The company's finances are now in first-class shape. This change in its position is revealed in the balance sheet, which shows the elimination of the large goodwill account, the change in the common stock, and funded debt capitalization.

When the new administration took over the management of the Canada Steamship Lines, the company owned 106 ships. Now, there are 120 vessels. During the four years that the present management has been in control, 60 vessels have been either purchased or built, so that, during the period, some 46 ships were disposed of and replaced by more modern and better-equipped vessels.

In the balance sheet, the fixed assets, less reserves for depreciation, are carried at $34,528,977, against which the total funded debt stands at $22 652,904—a satisfactory relationship. The company has outstanding 150,000 shares of 6 per cent. cumulative participating preference stock of $100 par value, and 120,000 shares of common stock of no-par value, which is carried at the balance sheet at $3,084,523.

The property account now stands at $34,528,977, as against $23,656.245 last year, and total assets now stand at $44,423,601, as against $38,899,203.

Montreal Water Deal May Yet be Stopped

From Our Own Correspondent.

MONTREAL.—The new owners of the Montreal Water and Power Company have extended to April 12 the period in which the city of Montreal may come to a decision as to whether it will purchase the water supply system of the company or if it desires to proceed by way of arbitration. In the meantime, the absurd city council has reaffirmed its decision to purchase the plant at $14,000,000.

On the other hand, the citizens of Montreal are making efforts to have the deal blocked and members of a citizens' committee have met to try and work out some means of blocking the proposed sale of the property at the $14,000,000 figure, which means 100 per cent. profit to Senator Lorne C. Webster, who so recently purchased the company from the original shareholders at $85 per share for the common and $100 for the preferred.

The citizens' committee has also approached the premier of the province, asking him to intervene to block the $14,000,000 deal, but Hon. L. A. Taschereau said that he had no jurisdiction over the actions of the Montreal city council.

The Montreal Board of Trade has also appealed to the Attorney-General of the province to take legal action to set aside the ridiculous decision of the Montreal city council.

Quebec Southern Old Shareholders Get $50

From Our Own Correspondent.

MONTREAL.—In connection with the new issue of common shares of Quebec Southern Power, original common shareholders of the company are receiving two shares of new stock for one of the old and most of the original shareholders have accepted this offer. For those who do not wish to accept the exchange the underwriters are bidding for the new stock the equivalent of $50 a share for the old.

A considerable portion of the issue has already been sold privately and the company have a customer ownership campaign under way. Thus only a limited amount of the issue is available for public subscription.

YEAR'S PROFITS OF PORTO RICO RAILWAY HIGHER

Position of New Unit of International Power Co. is Improved

Porto Rico Railways in 1926 had net profit from operations of $426,026, compared with $371,710 in 1925. The balance transferred to the reserve fund after bond interest, reserve for United States income tax and $100,000 for dividends on preferred and common stock, was $141,635, compared with $103,432 for the previous year, when there was no dividend paid on the common.

The balance sheet of the company, which recently has become a unit in the International Power Co., shows substantial improvement during the year. While the usual statistical statement included in the annual report is absent this year, it is understood that the betterment is due entirely to the increased profitable sales of electricity and power throughout the island of Porto Rico. The street railway lines, due to the inroads of the ubiquitous jitney, suffers from decreased patronage.

Working Capital Higher

Current assets at December 31st, including bonds bought for future requirements of the sinking fund, total $814.284. as compared with $702 298 the previous year. Current liabilities stand at $426,140, compared with $336.619 a year ago. Thus the net working capital of the company has been increased by $22,467, and is now $388.144.

Capital expenditures during 1926 totaled $158.945, principally for additions to plant and equipment in the power and light division. Property account, less reserve for depreciation, now stands at $8.182.9[illegible]1, compared with $8.174.887 the previous year. The amount appropriated for depreciation during the year was $93,155.

Profit and Loss

	1926	1925	1924
	$	$	$
Oper. profits	x426,026	x371,710	544,514
Other income	9,938	12,251	16,484
	435,964	383,961	560,998
Income tax	20,000	......	......
Depreciation	......	......	140,126
Bond interest	174,329	177,529	180,600
	241,635	206,432	240,272
Pref. dividend	70,000	70,000	70,000
Com. dividend	30,000	......	......
Reserve	......	33,000	130,000
Balance	141,635	103,432	40,272
Prev. bal.	†783,937	691,494	651,222
Surplus	925,572	794,926	691,494

x After depreciation.
† Less amount applicable thereto.

Market Record

	Common High	Common Low	Preferred High	Preferred Low
1925	46⅝	35¼	91¼	84
1927x	70⅝	59	96	90

x To March 21.

Public Utility Earnings

Quinte & Trent Valley Power

1927	Jan.	Feb.
Revenue	$5,995	$5,409
xOp. expense	2,702	2,505
Balance	$3,292	$2,904
Pfd. divids.	1,895	1,895
Balance	$1,397	$1,009

xIncluding taxes and bond interest.

Southern Canada Power Company

February—	1927	1926	Increase
	$	$	$
Gross earn.	129,659	119,305	10,354
Oper. exp.	41,538	38,114	3,424
Net earn.	88,121	81,191	6,930
5 Months—	1927	1926	Increase
	$	$	$
Gross earn.	646,725	588,652	58,073
Oper. exp.	207,515	188,785	18,730
Net earn.	439,210	399,867	39,343

INTERNATIONAL POWER COMPANY EARNING MORE

Position of Subsidiary Companies is Steadily Being Bettered

From Our Own Correspondent.

MONTREAL.—The various subsidiaries of the International Power Company are making steady progress. The forthcoming issue of "Investment Items," published by the Royal Securities Corporation, deals with the operations of these subsidiaries and will say in part:

"In the case of Venezuela Power Company, which is wholly owned by International Power Company, growth recently has been the most rapid of any of the controlled properties. It was not until December last that the new 4,500 h.p. oil-burning generating plant at Maracaibo came into operation, and enabled the company to adequately meet (and at a much reduced cost) the almost vertical upturn in volume of power demand in the city, due mainly to phenomenal expansion in the oil production of the district—3,650,000 barrels in 1923, 20,000,000 in 1925, and 37,000,000 in 1926. The development of the oil fields is in the hands principally of the most powerful British, Dutch and American groups, including Royal Dutch, Standard Oil, Gulf Oil, Pure Oil, British Mexican Petroleum, and others. The population of the city of Maracaibo, estimated at 75,000 in 1925, is now estimated at from 100,000 to 110,000. The company's rights in Maracaibo were recently enlarged and extended, under favorable terms, until 1976.

Other Developments

"The Barquisimeto division of the same company will also show operating economies consequent on the completion of the new hydro-electric generating station, and is better equipped for supplying the steadily increasing demand of the district which it serves.

"The Republic of Salvador is mainly agricultural, and will be greatly benefited by a programme of road improvement, now under way, which involves reconstruction of most of the main roads and the building of one thousand miles of new roads. In the capital city a considerable amount of building and street paving has been completed. The International Railways of Central America expect to complete in 1928 a railway which will give this city rail connection with the Atlantic as well as the Pacific coast, making it readily accessible by water and rail from New Orleans. Density of population, scarcity of coal and wood fuel, and the general prosperity of the territory make this city an excellent field for the electric light and power business. The San Salvador Electric Light Company's hydro-electric equipment is approaching the limit of its capacity, and must in time be extended. Earnings are very satisfactory.

Bolivian's Earnings Up

"Bolivian Power Company's substantial increase in both gross and net earnings is reflected in the declaration of a 2 per cent. dividend on the company's common shares, paid December 30 to shareholders of record December 24. The company's properties, which include electric light and power, tramway and telephone systems, are operating efficiently, and particularly in the light and power department there has been a considerable growth in the number of customers. Development of Bolivia's tin mines is extending, and La Paz, the city where the company operates, is growing steadily.

"Newfoundland Light and Power Company also paid a dividend of 2 per cent. on December 30 on its common shares, out of steadily increasing earnings. The capacity of the hydro-electric station has been increased from 4,200 h.p. to 7,000 h.p. and the tramway system has been reorganized and re-equipped.

"The city of Georgetown, British Guiana, is spending a substantial sum on the construction of new water and sewage systems. Contracts which it is expected will be entered into by the Demerara Electric Company, under the terms of new franchises, will necessitate the enlargement of the company's plant to provide power for these services."

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Ottawa-Montreal Power to Extend Lines to Hull

From Our Own Correspondent.

MONTREAL.—The directors of the Ottawa-Montreal Power Company have authorized the building of a high-tension line from Calumet to Hull, to connect the Ottawa and Hull, and Ottawa River Power systems with the Ottawa-Montreal Power. The extension to the property has been undertaken to meet the increased demand for power in the Ottawa-Montreal territory.

The Ottawa and Hull Company already has a line to East Templeton which supplies local industries. When the new transmission line is completed, the Ottawa-Montreal Company will be operating from Saint Anne de Bellevue, at the confluence of the Ottawa and the St. Lawrence rivers, to Hull, P. Q.

Viau Stock Strong

MONTREAL.—The preferred shares of the Viau Biscuit Company are strengthening their market position and are now selling around 90. The strength in the stock is due in part, no doubt, to the feeling that, with the completion of its initial year of operation, the corporation is in a position to improve its earnings.

New Issue

55,000 Shares

Quebec Southern Power Corporation

COMMON STOCK
(No Par Value)

Of the 75,000 shares being presently issued 55,000 shares are now offered for public subscription. The balance is reserved for exchange for shares of the old company.

CAPITALIZATION
(Upon completion of present financing)

	Authorized	Issued
First Mortgage 6½% 20-year Sinking Fund Gold Bonds	$2,000,000	$1,000,000
Common Shares (no par value)	200,000 shs.	75,000 shs.
Deferred Common Shares (no par value)	40,000 shs.	40,000 shs.

There are no preference shares authorized and none can be created except with the consent of 75% of the outstanding shares. The $1,000,000 unissued first mortgage bonds may only be issued under the conservative restrictions of the Trust Deed

The Common Shares are entitled to a preferential dividend of $2.00 per share per annum before any dividends are paid on the Deferred Shares in all dividends exceeding $2.00 per share per annum on the Common, the Deferred Shares are entitled to participate share for share equally with the Common Shares. Both classes participate equally share for share in any distribution of assets in liquidation, voluntary or otherwise. Each Common Share carries one vote and each Deferred Share carries five votes. Dividends payable at par at any branch of the Bank of Montreal in Canada, except the Yukon Territory, or at its agency in New York in United States gold coin.

Transfer Agent: Montreal Trust Company, Montreal and Toronto.
Registrar: The Royal Trust Company, Montreal and Toronto.
Legal Opinion: Messrs. Campbell, McMaster, Couture, Kerry & Bruneau.
Auditors: J. C. Gray, C.A., (Can. & Scot.) of Gray & Campbell, C.A., Montreal.

From information received from the President of the Company we summarize as follows:

THE COMPANY AND ITS PROPERTIES—The Quebec Southern Power Corporation (new company) has been formed to acquire the undertaking and assets of the Quebec Southern Power Corporation (old company). The old company was formed in 1925 as successor to La Compagnie Electrique des Laurentides, Limitee, which had been in successful operation since 1912, and to acquire complete control of the Laurentian Hydro-Electric, Limited. In 1926 the municipal plant of the City of St. Jerome was purchased. With the recent acquisition of l'Annonciation system, the company now owns four hydro-electric plants (one now being increased in capacity), having a present generating capacity of 6,100 horsepower, shortly to be increased to over 10,000 horsepower. In addition, titles are at present being searched to the St. Donat plant, now under option to the Corporation. The entire system is standard and modern throughout, assuring maximum service and a minimum of depreciation.

There are at present in operation over 275 miles of high-tension transmission and distribution lines, serving over 4,500 customers in 44 communities, including the City of St. Jerome.

The territory now served comprises an area of 6,000 square miles immediately north and northwest of the City of Montreal, and has a population in excess of 125,000. This area contains 100 municipalities, besides numerous summer and winter resorts and small settlements. The territory served is showing steady growth, and a careful canvass indicates that it is capable of producing between 18,000 and 20,000 customers.

PURPOSE OF ISSUE—The present financing provides for the purchase of Quebec Southern Power Corporation (old company) by Quebec Southern Power Corporation (new company). It also provides for the retirement of the entire issue of $500,000 Laurentian Hydro-Electric, Limited (wholly owned subsidiary), 6½% First Mortgage Gold Bonds and for the retirement of all outstanding Quebec Southern Power Corporation Preference Shares. In addition, it reimburses the Company for cash outlays in connection with the recent acquisition of further water-power sites and l'Annonciation plant, and provides for the purchase of the St. Donat plant. It further provides funds estimated to be sufficient to bring the total developed power to more than 10,000 h.p., such sums as are required in the early future for the extension of the Company's transmission and distribution lines and working capital.

ASSETS AND EARNINGS—The balance sheet of the Corporation shows total assets, upon completion of present financing, amounting to $4,329,785.41.

The initial main construction programme having been completed, the Corporation is now in a position to benefit from large sums spent in construction during the past year, but only now commencing to produce revenue. The earnings, therefore, may be expected to increase considerably in the near future. Several hundred new customers are now being connected to recently completed extensions, and important new power contracts have recently been obtained. Considering business now on the books and in active negotiation, the year 1927 is estimated to produce gross earnings of $200,000. It is further estimated that 1928 will commence with gross earnings at the rate of $255,000 per annum, and produce a total of $285,000 for the full year. These estimates have been carefully and conservatively prepared, and it is expected that they will be exceeded.

The present operating ratio is 35%, and by the year end the ratio will be less than 30%, based on estimates given herein. It is interesting to note that more than 68% of this revenue is derived from domestic customers, street lighting and sales of electric merchandise, and the balance from the larger consumers, who are old established and diversified industries.

The following table indicates the growth in the number of connected customers (figures are for December 31st in each year):

1924	1925	1926	1927 (estimated)	1928 (estimated)
1,150	1,600	4,508	5,600	6,500

Present figures and estimates for the future indicate a substantial earning power for the Common Shares.

MANAGEMENT—The Corporation will continue to have the benefit of the management responsible for its present successful position.

WATER-POWER RESOURCES—The water-power resources of the Corporation (exceeding 89,000 h.p.) are of great importance to the future of this undertaking, and will become increasingly valuable owing to their proximity to the City of Montreal and the estimated low cost of development. With the exception of one site of 7,000 h.p. capacity, held under Government license, all are held in fee simple, and are within a radius of 40 miles of the City of Montreal.

These shares are offered for sale when, as and if issued and received by us, and subject to approval of all legal details by counsel.

Price: $27.50 per Share

Orders may be telephoned or telegraphed at our expense. Descriptive Circular Upon Request.

It is expected that interim certificates will be available for delivery on March 29th.

Application will be made in due course to list these shares on the Toronto and Montreal Stock Exchanges.

Matthews & Company
Limited
255 Bay Street - Toronto
Telephone Elgin 5192

Browne, Urquhart & Co.
Limited
180 St. James Street - Montreal
Telephone Main 8011

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BRITISH COLUMBIA ASKS PEACE RIVER OUTLET BY P.G.E.

Hopes This Will Solve Problem of Terminal-less Railway

From Our Own Correspondent.

VANCOUVER—The legislature has adjourned and there is still no prospect of an early settlement of the Pacific Great Eastern Railway problem, easily the most important of all single economic issues that have confronted the province during the last ten years.

As was expected, the legislative session brought out the usual demands for extension of the line north from Quesnel to Prince George and south from Squamish to Vancouver, the arguments being that under the present conditions, with the railway "starting nowhere and ending nowhere," successful operation could not be reasonably expected.

Providing Peace River Outlet

Premier Oliver, however, set aside these arguments by stating that negotiations already in hand had reached such a point that it would be inopportune to authorize any new construction at this time. Oliver gave no hint then what he meant or what parties were negotiating, but subsequent developments indicate that he was referring to the deliberations of the Federal railway committee in Ottawa, which has been discussing plans for providing the Peace River country with an outlet.

The unsatisfactory feature of this discussion is that three engineers, representing the C.P.R. and C.N.R., have filed reports more or less condemning the western route by way of the Monkman or Peace Pass and stating that it would be more economical to handle the Peace River business over the existing lines "until the traffic is many times that of the present."

Would Not Keep P.G.E.

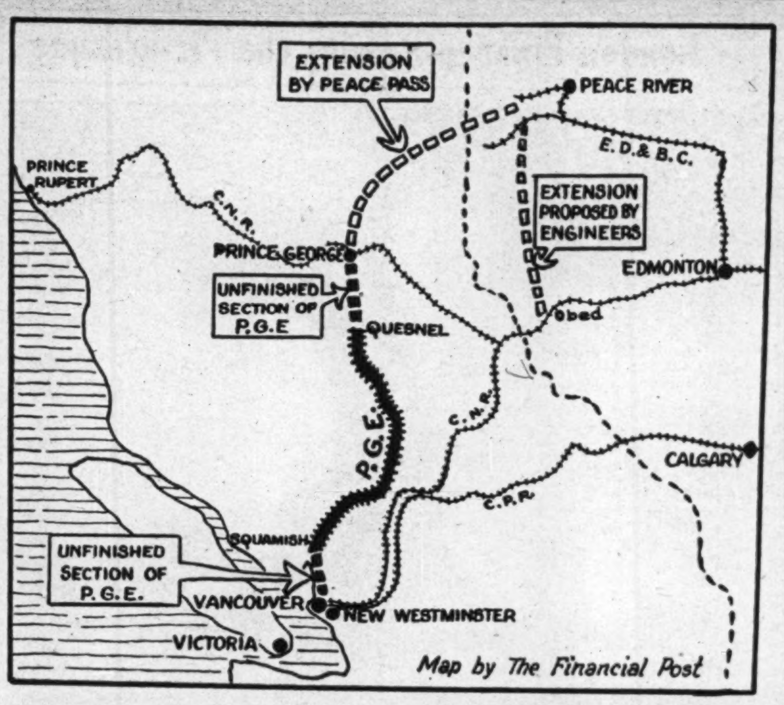
The engineers recommended the alternative route by way of Obed, Alta., which is precisely what the British Columbia government was hoping they would not do. For the Obed route, to quote the words of Premier Oliver, would be "useless to British Columbia" and would leave the P.G.E. problem further from solution than ever.

Premier Oliver contends that the Canadian Government has a moral obligation, if not a legal one, towards British Columbia in respect to the Peace River outlet by reason of the fact that when the merger of the G.T.P. and the C.N.R. was effected the traffic agreement between the G.T.P. and the P.G.E. went into the discard. This agreement guaranteed to the P.G.E. all passengers, freight, mail and express routed over the G.T.P. for Vancouver and would have provided the P.G.E. with a substantial increase in revenue.

Will Go To Ottawa

That Premier Oliver means to have British Columbia's case put before the railway committee is shown by his decision to go to Ottawa and present the argument himself. "We will emphasize the calamity it would be to this province if the P.G.E. were not utilized as part of an outlet from the Peace River," he said. He will also stress the importance of the Dominion government's embarking on a practical colonization policy for the Peace River country to operate concurrently with the construction of the railway outlet.

The Peace River country is regarded as a prospective granary of prime importance and British Columbia intends to make a determined fight to have the facilities established for routing the flow of grain and other freight from that area through B. C.



The map shows that British Columbia's publicly-owned railway (originally started as a private enterprise) has no logical southern or northern terminus. Proposals to extend the line to Vancouver in the south and Prince George in the north are in abeyance while the federal government discusses a railway outlet for Peace River district. The extension westerly from Peace River to meet the extended P. G. E. at Prince George is shown. British Columbia would like this as it would help solve its railway's problem. But C. N. R. railway engineers recommend a line south from Peace River to meet the C. N. R. at Obed and this, British Columbia fears, will be of no value to it.

C.N.R. Gains in 5 Years from 2 to 48 Million

It is only by going back over a term of five years that one is able to grasp the enormous improvement made in Canadian National Railway earnings. It is fair to say that in the five years Sir Henry Thornton has been in charge he has reduced the burden of the C.N.R. upon the public purse by over $50,000,000 annually.

After paying such interest there was a surplus to apply on account of loans made by the Dominion government. After allowing for such interest as is taken into account for this, the net deficit was $29,894,072, as compared with $42,197,664 in 1925.

The final results for 1926 issued this week show net earnings of $48,225,029. This compares with previous years as follows:

	Gross Operating Revenues
1922	$234,059,025
1923	253,135,488
1924	235,588,183
1925	244,971,208
1926	275,570,310

	Net Operating Revenues
1922	$2,886,712
1923	20,430,649
1924	17,244,251
1925	32,264,415
1926	48,225,029

	Operating Ratio
1922	97.77%
1923	91.92%
1924	92.68%
1925	86.83%
1926	82.5%

It takes $39,701,896 yearly to pay interest charges on the $935,000,000 of C.N.R. securities in the hands of the public.

Drop in Crude Prices Affects Oil Companies

Financial circles are beginning to wonder what effect the drastic reductions in the market prices of crude and refined oil will have on the Canadian oil companies. The overproduction of crude has been most pronounced in the Seminole field in the United States. Average midcontinent grade, 38 gravity, is now at $1.32 the barrel, which is a reduction of $1.13 the barrel since last November.

Imperial Oil would be the company in the Canadian field most seriously affected by long-sustained drops in the prices of crude oil. Imperial Oil itself is a producer in Alberta and a substantial portion of its earnings is derived from International Petroleum, which is a producer, through Tropical Oil Co., in Colombia and Peru.

The other two large Canadian companies, British-American Oil and McColl, would be affected less than Imperial Oil because they would get the benefit of purchases of crude at lower prices.

Building Products, Ltd., Earns Nearly Double

Building Products, Ltd., increased its earnings in 1926 through economy of administration made possible by the consolidation of Bird & Son and Ruberoid Co., effected late in 1925. Net profits were $166,533, compared with $89,206 for the previous year.

The company anticipates even better results for 1927, because of the general improvement in business conditions.

In 1926, the company's working capital position was improved by the sale of its water-power rights on the Jacques Cartier river.

The balance sheet shows current assets of $1,437,853, and current liabilities $115,712, a ratio of over 12 to 1. Current assets at the end of 1925 were $974,003, and current liabilities $109,519, a ratio of nearly 9 to 1. Included in the current assets is an item of $396,244 representing investments. This is the only noteworthy change in the current asset exhibit, as compared with 1925, and it undoubtedly reflects the improved liquid position attained by the sale of the company's water power rights mentioned above. The company's capital assets are carried in the balance sheet at $889,824, according to their appraised value. After paying dividends on the preferred stock amounting to $52,500 there is left a surplus of $104,033 on the year's operations, and this is equivalent to $23.11 on the Class "A" shares. The annual meeting of shareholders will be held in Montreal on April 13.

Bring Kootenay Power Output to 152,000 H.P.

The increase in power production at Bannington Falls, West Kootenay, B.C., will bring the total output up to 152,000 h.p. Kimberly concentrator of Consolidated Smelters and Granby copper, at Allenby, are the largest consumers.

Book Reviews

Marvyn Scudder Manual of Extinct or Obsolete Companies.

The title of this book suggests no pleasant hour's reading. It is purely and simply a work of record; but a work of record in a field that is all its own. It is the type of book that is worth its weight in gold just as at the particular moment when it is needed most. Its chief value is for investment bankers, and others who are faced, from time to time, with the problem of attempting to trace a company of which there is no record in their files. The Manual lists thousands of companies that have gone out of existence either by surrender of charter, through liquidation, by merger, by change of name or otherwise. Naturally, most of the companies are American; the information has apparently been taken from the official records of the secretaries of state of the different states of the United Union. But there is a good sprinkling of Canadian companies. We cannot say how complete is this list, but a few test searches in the book for companies known to have gone out of business revealed the correct information.

There was a volume similar to this published before the war, we understand. Whether it was published by the present group or not, we can not say. But while brought out to sell at a nominal price it in time acquired a very high selling value and $75 and more was paid for copies in New York several years after publication. The book at first did not receive much mention, but its value was demonstrated over a term of years.

The Marvyn Scudder Manual is not a cheap volume. This is because it is not so much a book as a service. The price is $25 and it is published by Marvyn Scudder Manual of Extinct or Obsolete Companies, Inc., 177 Broadway. New York City.

Russia in 1926

Ten years after the Russian Revolution, that is a very bleak and dreary land. This much one gains from reading the adventures of a pair of Canadian travelers who visited Russia last year. They are Mr. and Mrs. Roland F. McWilliams of Winnipeg, and they give us the story of what they saw in a little volume just published under the title of "Russia in 1926."

Leningrad is very sad; suggesting little of its former glory, but Moscow is alive and moving forward. Normal impulses of human nature are finding freer scope and the individual is rising somewhat from his submersion in the state. The ultra-socialistic policies of 1917 are disappearing, but lack of capital is hampering Russian progress. Without new capital Russia will meet another economic smash. Nevertheless, even the advent of new capital will not easily wipe out socialistic influences. Whatever happens, Russia will hold to some measure of socialism, our authors feel.

We have not attempted to pass on any of the color of the book nor to discuss what it gives of the social life and habits of Russians of to-day. Russia is a most fascinating country and has provided the world with the most revolutionary economic and social change of history. Russia in its period of working back to normalcy is a subject that will continue to demand the attention of historians for many years to come. It is interesting at this time to have the background afforded by this book.

It is published by J. M. Dent and Sons, Toronto, at 75 cents.

Modern Insurance Tendencies

In order authoritatively to record the changes and tendencies in the field of insurance during the past ten years, The American Academy of Political and Social Science, has just published a valuable and compresentive edition of its Annals, entitled: "Modern Insurance Tendencies." The editor is S. S. Huebner, Ph.D., professor of Insurance and Commerce, Wharton School of Commerce and Finance, University of Pennsylvania, and in his introduction he outlines some of the more outstanding features of modern insurance which are covered by the various contributors to the volume.

In the first place he mentions as of outstanding significance, the changes wrought by the remarkable increase in the volume of insurance, as regards each of the three major types of underwriting, namely life, property and casualty insurance. "A business of such magnitude naturally undergoes numerous changes in operating methods or types of service rendered, and is bound to face many problems of a far-reaching nature. The larger portion of the present volume is devoted to the discussion of such problems and changes." Particular mention is made of the remarkable growth and transformation of some of the newer fields of insurance, especially automobile insurance, "use and occupancy" or "business interruption" insurance, and the various forms of weather insurance.

"The first has grown from insignificant proportions ten years ago to a premium income of about $350,000,000, and is confronted with a widespread agitation for compulsory coverage through legislative enactment. Business interruption insurance (protection against loss of profits and unavoidable overhead and fixed charges through the temporary or total interruption of business through fire or some other hazard) is probably the most discussed subject in the field of property insurance at the present time. Its mission is so far-reaching economically, that it is bound ultimately to become one of the most important types of coverages. Crop insurance against the adverse forces of nature—hail, frost, storm, drought, excess rain, plant disease, etc., —is also commanding serious investigation and experimentation in many quarters. Five of the volume's articles are devoted to a discussion of the newer types of coverage that are looming large in the public estimation."

Another important aspect of modern insurance is the emphasis which is being placed upon "risk prevention" as opposed to mere "risk bearing." Owing to the importance of loss prevention activities, both in regard to human life and property values, three articles are devoted to a discussion of this subject from the standpoints, respectively, of life, property and casualty insurance.

Finally the volume breaks new ground by calling attention to the impressive way in which insurance is being recognized by American universities and colleges, as an integral part of their educational program. At least 71 universities and colleges are now offering separate courses in insurance, and half of these adopted such instruction in 1920 or thereafter.

The volume itself is the successor to a companion volume of the same name published in 1917, exactly ten years ago. It comprises 29 articles written by men at the head of the various branches of their profession, and also by men who are devoting themselves to a study of insurance from the academic point of view. The book is divided into three parts, the first part dealing with life insurance, the second with property, the third with casualty, and the last part with "Important Problems of General Application."

The book, which is volume CXXX of The Annals, (American Academy of Political and Social Science) is bound in a paper cover and is published at Concord, New Hampshire, U. S. A. Price is, we understand, $1 for single copies.

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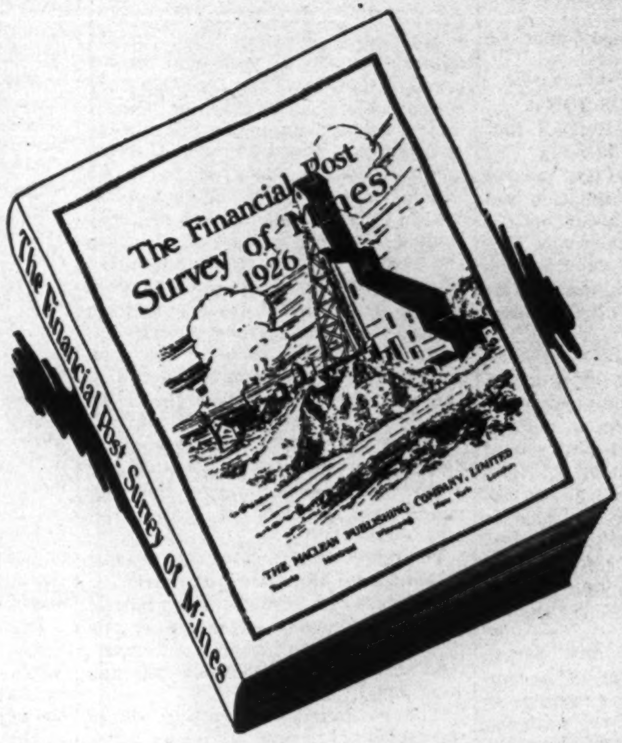
The Financial Post Survey of Mines 1926
The Financial Post Survey of Mines
THE MACLEAN PUBLISHING COMPANY, LIMITED

HAVING sold all of the 8,000 copies of The Financial Post Survey of Mines by the end of last December — within three months from the time it came off the press — our problem was to be able to supply copies to the many who had been disappointed.

Some of the mining companies and brokers, anticipating a shortage, ordered many copies in advance. In January, as some of them had not distributed all of their copies, we succeeded in buying back 500. Out of this 500 we have 49 copies left. If you are interested in the Canadian mines and have not a copy of The Financial Post Survey of Mines we urge that you send in your order immediately.

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TORONTO, MARCH 25, 1927

MARITIME RIGHTS

WHILE the Maritime Provinces have every right to feel gratified by the announced intention of the government to carry out the major part of the recommendations of the Royal Commission on Maritime Rights, people in the other provinces may feel that they are being called upon to pay too high a price to bring better times and conditions to the Atlantic provinces.

Those elsewhere in Canada, who may not relish the carrying out of the Duncan commission's recommendations, would do well to recall the fact that the legislation which the government now proposes to bring into effect does not consist of measures designed solely by tired politicians moved entirely by sectional clamor, but of sober and serious proposals made by an entirely unbiased commission of some standing which went thoroughly into the Maritime "Rights," overlooking naught, and made its recommendations based solely on facts and not on political necessities.

To put it the other way about, Sir Andrew Rae Duncan and his associates were able men, well-qualified to ferret out the facts and to present recommendations based, not on Maritime needs or Maritime requirements, but based on the actual pact under which these three Atlantic provinces form part of the Dominion.

This consideration should not be lost in discussion.

THIS DIRECTOR'S JOB

A DIRECTOR of the British Columbia Fishing & Packing Co., who was elected only a few months ago, announces his resignation because, he explains, he went on the board to effect a change in the capital structure of the company and, now that this has been accepted by the board as a whole, he feels that his work is done.

The financial structure of a company is important. But, after all, it is not the most important factor so long as the capitalization is not excessive. Management under a board of directors is more important than the character or appearance of the capital structure, and every member of the board is primarily concerned with management and operation of the internal affairs of the company and not with the market position of the company's stock.

It is questionable if any person should become a director of a company merely to effect a change in the capital structure of the company which does not in the least change the intrinsic value of the security, whatever may be the result from the viewpoint of individuals who are concerned with the ups and downs of the stock market.

AN END TO HAND-OUTS

IN ONE paragraph in its "Taking Stock in Nova Scotia," our good friend the Halifax Herald says:

> The great trouble with Canada is that we are too much Nova Scotian, Ontarian, French, English, Irish, Scotch, United States and not enough Canadian. Our country is Canada, our nationality is Canadian. It is time that Canadians united to exalt that spirit.

Yet four paragraphs later it asks why the Canadian National Railway is building branch lines everywhere except in Nova Scotia. Since the branch lines are being built at the behest of Sir Henry Thornton, who is operating the C.N.R. in the interest of Canada as a whole, without political or sectional interference, it is to be presumed that branch lines are not being built in Nova Scotia because the railway does not now need them as much as it needs them where they are to be built.

Nova Scotia will gain more from the all-Canadian policy the Herald suggests than it could possibly gain from political "hand-outs" in the form of unnecessary branch line railways. Successive federal governments have attempted to appease Maritime demands by donations in the form of public buildings, wharves, dry-dock subsidies, grain elevators, etc. Because many of these expenditures were unsound they did not solve the problem of the Maritimes. At no greater annual cost, the adoption of the Duncan recommendations is likely to help the Maritimes where gifts from the "pork barrel" did not.

CANADA'S BEST BET

PREMIER KING'S bid for reciprocity with the United States is not likely to make much impression in Washington. The American people are still firmly convinced that their industrial prosperity is based upon a highly protected home market. In their belief they have all experience to support them. The tariff has made and kept the United States prosperous, and there is little disposition to play with it.

Yet while this is the position of the United States to-day, there is a growing feeling across the border that the time is rapidly approaching when some modification of the tariff will have to be considered. The United States is becoming a foreign investor on a large scale and has ambitions of retaining its place as the banker of the world. Serious economic students see an anomaly in the position of a country attempting to divorce international finance from international trade. Bankers in time may force what industry now declines to permit, a modification of the present exceedingly high tariff levels.

Canada, on the other hand, has no ambitions of becoming banker for the world in this generation or the next. It is investing money abroad, but hopes to draw more new capital than it sends out. It will pay its interest on its borrowings for many years to come in the form of exports of manufactured and agricultural products. Canada is in much the same position the United States occupied two generations ago. The same tariff policy the United States adopted then would tend to duplicate in this country the prosperity of the United States.

We will enter into preferential trade agreements. It is to be hoped that the tendency along this line will not be as in the past, to sacrifice Canadian industry to make markets for our surplus of agricultural products. While theoretical economics might justify such a procedure cold facts and expediency certainly do not. Preferential trade agreements tending to build up the economic unity of the British Empire will help Canada by giving us a prior claim upon the world's largest market.

Reciprocity with the United States may come in time, but Canada's best bet at the moment lies in Empire trade.

NOT A FAIR TAX

PROF. J. C. HEMMEON of McGill University does well to protest against the levy of municipal income taxes in Canada. There are two very serious objections to this tax. One is the fact that it duplicates the income tax levy of the Dominion Government; duplicate taxation is to be avoided at all costs. The second objection is that municipalities are very limited in their powers of checking the income tax statement submitted by an individual. As a result, the tax, where it is levied—as in Ontario cities — becomes a most discriminatory imposition. Salaried earners, whose incomes are reported in full to the city assessment department by employers, pay the limit of the tax. Those who derive a considerable income from investment, particularly from investments outside the city where they live, can only be reached with difficulty.

The temptation to deliberate evasion is too great; the tax is, in short, unworkable. Even Toronto, which has set up an enormously expensive system of checking up on income tax returns, has not been able to make the tax bear equally on all.

The machinery for getting rid of the municipal income tax where levied exists. Occasional conferences between the Dominion and provincial governments take place to consider ways and means of dividing up revenue sources. The municipalities derive their power to tax incomes direct from their provincial legislatures and such legislatures as have given them such power should not hesitate to take it away.

FEET UNDER SAME TABLE

WHILE that great institution of modern business, the conference, has been the butt of many amateur and professional joke-smiths, it is an institution of high merit when it brings into friendly contact people of apparently opposing views. We have seen the value of diverse interests getting their feet under the same table in the discussions that the farmers of Alberta have had with the heads of the loan companies. We have seen them too in friendly conferences between Western bankers and Western live stock men.

There has always been some slight friction between these two groups. Live stock growers require credit, as do all other business men, and they have been inclined to feel that they needed much longer credit than the banks have considered thoroughly sound. To-day, however, there is no real friction between the live stock men and the banks. Grievances have been ironed out behind closed doors.

Officials of the Western Livestock Union had round table talks with the bankers, at which views and suggestions were exchanged to the satisfaction and benefit of both the live stock men and the banks.

While it is conceded that the banks cannot advance to every farmer or live stock grower all the money that he might consider that he could use to advantage in the production of live stock, it is now admitted by well informed livestock men that the banks, generally, are meeting the needs of the industry.

One real difficulty remains that is inherent, however, in every line of business. The beginner in the business, starting with small capital, finds that it takes a long time to build up a herd. He would like the banks to supply him with capital for a period of three or four years to speed up his work. But this is obviously outside the field of the banks. It is their function to supply working capital and not invested capital. But there is plently of capital for the man who has proven his ability to handle live stock to advantage and who has some capital. The banks will support such a man every time. The attitude of the banks toward the western live stock industry is favorable. They are glad to assist it as far as they can.

This attitude has grown largely out of a frank interchange of viewpoint and a discussion of practical problems.

STOCK DIVIDENDS

THE Wall Street Journal checks up a headline writer who stated that a certain company "may double its capital." What the company actually was doing was not doubling its capital at all. Instead, it was about to declare a stock dividend, which is an entirely different thing, as the Wall Street Journal pointed out.

If there is need in the United States for a clear understanding of the distinction between a stock dividend and an increase in capital there is more need for such an understanding in Canada, for in this country the Dominion government imposes an income tax on stock dividends just as though they were dividends paid in cash.

A stock dividend is in no sense a disbursement to shareholders. If the term "dividend' leads to the feeling that it is, then the use of the word is unfortunate. A stock dividend is merely a recognition by the management of a company that it has withheld from stockholders a proportion of the earnings of the company; has invested this surplus in buildings, goods, stock or working capital, and has thus built up the equity behind the shares. In order that its actual capital and its nominal capital may bear some reasonable relation to each other, the nominal capital is increased by a stock dividend to a figure close to the actual capital. This is what usually takes place when a stock dividend is declared. But shareholders have received no cash. They have received nothing that they can sell at a profit. If a company has 100,000 shares of stock outstanding, which stock is selling on the market at $150 a share, its stock would decline to $100 a share if it declared a 50 per cent. stock dividend. In either case, the total market valuation of the stock would be $15,000,000.

Under certain circumstances, the stock dividend might cause an increase in market price; this would follow if the rate of dividends paid were to be larger under the new capitalization. In this case, the government would collect higher taxes on the dividends when paid. But the government has no right to tax a book-keeping adjustment that merely paves the way for the higher dividends.

In the United States stock dividends very wisely are not taxed. There the rule was established, not by bureaucratic officialdom, but by the supreme court after careful study of the nature of a stock dividend.

BUSINESS IS SATISFIED

LETTERS received by The Financial Post from some of the leading business men of Canada confirm the view that business generally is delighted that the scandalous abuse of government leniency in sales tax collection is to be righted. Hon. W. D. Euler has won many friends by his assurance that collection of sales tax as well as customs duties is to be put upon a businesslike basis.

In raising the question of sales tax arrears in the house, Hon. R. B. Bennett pointed out that many millions of dollars were over-due, a situation lending itself to very great abuse. Mr. Euler did not deny this assertion but he was ready with the answer. His present proposal is to add interest to over-due accounts. This, of course, provides only an extra weapon. The Sales Tax Act and regulations provide all the power required to prevent cheap-skate business houses from declining to pay their sales tax in order that they may do business on government funds.

Business men want to see efficiency in the government. They deplore favoritism that works to the advantage of the dishonest, tax-evading house. The sales tax, at best, is not a popular tax, but fairness in its collection will do much to win public co-operation in collecting it and making the tax a success.

CINDERELLA won out in the end. The Maritimes are now going to wear glass slippers.

London Finance Retains the Picturesque

The constables of the Royal Exchange wear the same uniform as in the time of Queen Elizabeth when in 1570 it was opened. Every morning one of these picturesque figures opens the gates of the Royal Exchange to the public. Above is a silhouette picture of one of the constables in the picturesque uniform of the fifteenth century, taken from a point from which few people see it, throwing open the gates of the Royal Exchange.

Flow of Canadian Gold to New York No Cause to Worry

Our Exports of Bullion Do Not Indicate Any Difficulty in Maintaining, But Are Merely in Nature of Release of Surplus Production

By J. COURTLAND ELLIOTT,
Acting Professor of Political Economy, University of Saskatchewan.

New York's recent fears for the Canadian gold supply were groundless. They were based on a failure to realize the distinctive functioning of our financial system which grows out of our intimate relations with the New York money markets. Many Canadians too, who depend more on the generalizations than on the actual practices of finance for their judgment, have viewed with some alarm the heavy drafts on our gold holdings since the first of the year. Let it be asserted then with all emphasis that we are coming through the test of the formal return to the gold standard on July 1, 1926, with all sails up, colors flying and our head to the wind. The test is not yet over but it can be safely predicted that, barring unwarranted political interference, the finish of the seasonal spring drain a week or so hence will find us firmly adhering to the gold standard.

Our problem, as I see it, is not one of retaining gold, but of disposing of it to other countries. In other words, the question is how to get rid of it, not how to get hold of it. We are a lucky people in that respect for, while most of the world, excluding the United States, is making desperate efforts to economize in the use of gold and to achieve the utmost efficiency in the use of their currency and banking reserves of the yellow metal, we are confronted with the problem of exporting about $30,000,000 in new gold each year. Little wonder then that we can smile when New York shakes its financial head as it sees gold flowing in from Canada.

Depends Upon Economic Stability

Reams of statistics relating to the production, mining, uses and movements of gold are available to indicate our present financial situation and they could be cited with accumulating confusion until even a King Midas would find himself hopelessly muddled. On the other hand, there are a few simple facts which strike at the heart of the issue and which constitute a solid phalanx assuring our presently impregnable position with respect to gold. In the first place, the maintenance of the gold standard in Canada does not depend primarily on the volume of the yellow metal held in reserves by the government or chartered banks. The retention of the gold standard depends rather on those vague circumstances termed sound economic conditions. The movements of gold are ordinarily a symbol of underlying economic activity—of exports and imports of goods, of foreign borrowings and loans, of remittances and of tourist income, and of all the transactions that find a reflection in international financial relations.

The amount of gold itself held by a nation is no more a final criterion of financial strength than the current cash of a manufacturing concern. All through the period of erratic exchange movements with the franc depreciating, France held the largest gold reserves in the world outside of the United States. Yet France was off the gold standard. When Canada reverted to the gold standard on July 1, 1926, gold in currency and banking reserves amounted to $171,280,364; on December 31, 1922, when the country was off the gold standard the holdings amounted to $213,050,499.

The Anomaly of Gold Reserves

New York must look farther afield then than the statistics of Canadian gold reserves to justify its fears for our stability. It is not the amount of gold available but the character of the economic activities creating a demand for gold that determines the feasibility of the gold standard. When marked internal credit expansion is found in conjunction with such external disorganization in trade and finance that a drain is exerted upon the gold supply then, and then only, is there a possibility of failing to maintain the gold standard. The reason is apparent. If the creditors of a happy-go-lucky spendthrift press him for payment at the very time when he is extending his purchases and his borrowing ability is curtailed, the time will not be far distant when he will go off the "gold standard." So with a nation. Domestic credit expansion calls for larger gold reserves, and unbalanced foreign obligations press upon that supply because gold is the one instantaneously acceptable commodity available for export as payment that is eligible for external bank reserves.

What is more natural then than that a nation should conserve its reserves by refusing to part with them? That refusal is the suspension of gold payments, and currency depreciation may readily follow if the unsound economic conditions are not rectified. It is a curious fact, of course, that at the very time when reserves, ostensibly set up for just such a contingency, are needed, they cannot be used. The attitude is probably a vestige of an economic philosophy whose vogue declined one hundred and fifty years ago and which placed an exaggerated importance upon gold. Today the world is economizing in the use of gold by resorting to numerous expedients and financiers have more intelligent ideas as to its functions.

Exports as Symbol of Strength

The reasons for the depreciation of the Canadian dollar in 1920 and 1921 are found, not primarily in the amount of gold on hand, but in all the domestic and foreign economic conditions which reflected on our ability to meet our payments. So too must the assertion that Canada is now safely on the gold standard without restrictions upon the movement of the metal be based on the fact that our international financial transactions put us in possession of foreign funds generally sufficient for our needs.

Why then has there been an outward movement of gold from Canada to the United States amounting to about $45,000,000 since January 1 of this year? Is that not an indication of financial insecurity and economic backsliding? On the contrary the export of gold is an indication of our economic strength. There are times when such a movement represents a real drain: at others it is a symbol of our ability to pay.

The fact of the matter is that Canada has some especially intimate financial relations with United States which differentiate the movements of gold out of this country as compared with those from most others. The reason is simple. No banking system wishes to retain as reserves a larger amount of gold than is compatible with safety because cash reserves are not earning assets.

The consequence is that, since Montreal is so near New York, the Canadian banks place a large amount of their surplus reserves in the New York money markets. In other words we utilize a foreign money market to adjust our internal banking situation. Instead of utilizing all our cash reserves as a basis for unwarranted credit expansion and eventually, perhaps, inflation, our banks move them to New York in the form of gold. There the funds are invested in call loans against stock exchange collateral and bankers' acceptances or in the outright purchases of the latter—all of them, it is to be noted, available, at any time they may be liquidated, as claims against the American gold supply.

New York is Reserve Depository

An outward movement of gold from Canada is not serious if it represents the transfer of surplus reserves for investment in the New York money markets. The shipment of gold is serious only when it is for the purpose of reestablishing foreign exchange balances in danger of depletion by unsound economic practices at home. Since there is no money market in Canada, the gold movements to and from this country are largely controlled by the Canadian bankers and the inward movement of gold in the autumn represents the replenishment of domestic reserves to finance the Western crops. Thus the Canadian banking system is a parallel to the country banks of the United States that adjust their requirements by placing and withdrawing funds in the New York money markets in response to their needs. The New York money market too is what might be termed the "Federal Reserve Bank for Canada," for just as member banks in the United States adjust their internal position by drawing upon and repaying to Federal Reserve Banks the borrowed funds, so do Canadian banks draw upon and return to the New York money markets their surplus reserve funds.

Most Peculiar Relations

New York's recent error, therefore, was due to the failure to take account of the peculiar relations between the Canadian banking system and the New York money market. If the functioning of our banks in this regard is not properly understood it is very easy to fall into the error of regarding the outward movements of gold as an element of weakness rather than as a symbol of strength.

There remains now only the explanation of why it is that, whereas Canada drew in from New York last fall only about $6,000,000 in gold, we

(Continued on page 11)

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Impressive Growth

In 1913, the total Canadian Government and Municipal bonds held by Canadians amounted to $320,000,000. Now it is estimated that Canadians hold $2,903,000,000 of these bonds, an increase of $2,583,000,000, or a sevenfold increase, in this short period.

Similar striking changes have taken place in connection with savings deposits and life insurance in force. In 1900, savings deposits were $174,000,000, or $33 per capita, while at the close of 1926, these were $1,372,000,000, or $152 per capita. Life insurance in force in 1900 amounted to $404,000,000, or $76 per capita, while at the close of 1926, the amount was $4,964,000,000, or $530 per capita.

With the growth of wealth, investment needs are more complicated and varied and discrimination in the choice of securities was never more necessary.

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Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

French Line

Do you consider the bonds of the French Line to be a satisfactory investment?

It is an excellent bond, offering good yield.

Canada Cement

Would I be well advised to sell my Canada Cement stock at the prevailing high level?

Hang on to your Canada Cement stock. It will be worth more in a year or two, we believe.

International Power

Please let me have your opinion of the preferred shares of the International Power which I purchased some time ago.

We think you should do well with your International Power preferred, for with this stock you probably acquired a bonus of common stock which has an attractive speculative future.

Canadian Cottons

Is the common of the Canadian Cottons a satisfactory investment stock? Is it liable to appreciate?

The common stock of the Canadian Cottons is a satisfactory investment security. We do not think that this stock will show very much appreciation, but you can probably count on a sure increase in price over a term of years.

Dominion Rubber

I am advised to buy Dominion Rubber preferred. What is your opinion?

The preferred stock of the Dominion Rubber Co. appears to us to be a sound investment, although there is $10,600,000 worth of bonds which are prior charges on the earnings. The earnings in the last five years have been increasing steadily and the dividends have been paid regularly.

Brooks Steam Motors

Is Brooks Steam Motors, Stratford, a good investment?

Readers of The Financial Post have been advised frequently not to buy stock in Brooks Steam Motors. There is an extremely remote possibility that dividends ever will be paid on this stock. Moreover, the stock can be bought from dealers in unlisted securities for less than the price asked by Brooks Securities, Ltd.

Southern Canada Power

Would the preferred and common stock of the Southern Canada Power prove to be a good purchase for me?

Southern Canada Power common or preferred are both good issues of an investment type. You would have to hold the common over a term of years to obtain a satisfactory appreciation and yield. Nevertheless, we believe that this stock will appreciate in value and would be a satisfactory purchase for those who are willing to wait.

International Power

Do you consider that the debentures of the International Power Company are a satisfactory investment?

We consider these debentures satisfactory. The issue is secured, not by specific properties, but by the common stock of a number of public utility companies. However, the diversification of the International Power's holdings gives added strength to the debentures which we consider to be a very satisfactory investment in the 6½ per cent. class.

Brandram-Henderson

What is the situation surrounding the 6 per cent. bonds of Brandram-Henderson which mature 1939?

An inactive market exists for the Brandram-Henderson 6's, due 1939. The present price is around 85. The annual report of the company for the 1926 fiscal year will be published shortly, but in 1924 and 1925 the company's earnings before depreciation, income tax and certain reserves, amounted to just over $100,000 as compared with bond interest requirements of $70,000. The company's earnings of late have not been particularly good. On the other hand, the total bonded indebtedness amounts only to $1,158,600, as compared with fixed assets carried on the balance sheet of $2,779,651.

Prussian Consuls

I am holding quite a block of Prussian Consols.

Will you kindly advise me as to when they may be taken over by the German government and what rate is to be paid?

Prussian Consuls will be taken over by the Reich at the rate of 2½ per cent. of the gold value — to be exchanged for bonds of the new redemption loan before June 30th, 1927, by the Banque Canadienne Nationale, Montreal, or its branches. The face value of all bonds issued up to the end of 1918 is equal to the gold value.

The claim for exchange exists only so far as the bondholders submit marked bonds representing 500 gold marks, or a multiple thereof. The bonds must be accompanied by the coupon sheets.

Montreal Apartments

How are the Montreal Apartments doing? Would the bonds be a sound purchase in this type of security?

The Montreal Apartments owns and operates the Chateau Apartments in Montreal. These apartments were completed something over a year ago and have proved popular. The apartments are fully occupied and we understand that the management has a waiting list.

As the apartments are located on one of the best apartment house sites in Montreal we believe the bonds to be a satisfactory investment.

International Pete.

Will you please give me some information with respect to International Petroleum, stating the capital of the company, whether they have paid dividends and if so at what rate, and also your opinion as to the future of the company.

International Petroleum is a company controlled by Imperial Oil. International Petroleum has an authorized capital of 100,000 shares preferred at $5 par value and 19,900,000 of common at no par value; only 7,123,544 shares of the common have been issued. The present dividend rate on both classes is 75 cents per share annually.

The outlook is good. A serious objection to investments in companies in the Imperial Oil group is that they do not give the shareholders information to which they are entitled.

Two Fire Companies

We should be obliged if you would furnish us with what information you can in regard to the following fire insurance companies:

Fire Association of Philadelphia,
British Colonial Fire Insurance,

Do you consider them safe to do business with, and are they prompt in settlement of claims?

The Fire Association of Philadelphia and the British Colonial Fire Insurance Company are both licensed by the Dominion Government to do business in this country and may be regarded as safe to do business with. We cannot give you exact information as to whether they are prompt in the settlement of claims or not, but know them to be a reliable organization and would no doubt give good service to their clients.

Austrian Bonds

I have 200,000 kronen Austrian government bonds 6 per cent., dated 1922, and 100,000 marks Polish government 5 per cent. bonds, dated 1920.

Will you kindly advise if the above bonds are of any value, and if so, where I can get them exchanged?

Austrian Government bonds 6 per cent., dated 1922, and maturing in 1928, are bid at $10 a million kronen. The same issue, only maturing in 1972, is bid at $10 a million kronen.

The Polish government 5 per cent. bonds, dated 1920, are bid at $50 a million Polish marks. There seems to be a fair market for these securities and if you will write to some of the bond houses advertising in The Financial Post they will probably be able to find a market for you. Market lots are of a million or more.

Milton Brick Bonds

A client of this office holds $7,000 in bonds of Milton Brick due 1935. He has asked me to endeavor to obtain information, if the bonds are a good investment, also if the company is well managed and what price the bonds are selling at.

While the brick industry has been going through some very hard times in the last two or three years, we believe that the Milton Brick Co. has been able to earn interest on its bonds and leave something over.

No exact figures are available as to the earnings of this company, however, as the directors have adopted the policy of not publishing reports.

We are unable to give you a quotation on the market price of these bonds, because so far as we have been able to learn there has been no recent transaction.

Arnold Bros.

Kindly let us have your opinion of the following stocks through the columns of your excellent paper:

Arnolds Common, Laura Secord Common, B.C. Fish, Duprat, Lake Shore Mining Syndicate and Macassa.

Common stock of Arnold Bros. is somewhat speculative though promising in view of the ambitious expansion program embarked upon by the company. Laura Secord common is exceptionally promising. It is now listed on the Toronto Stock Exchange, which is an added advantage to the investor when he is either buying or selling. British Columbia Fishing & Packing is not a stock in which investors should put their money.

Lake Shore is the best of the mining stock you mention, being on a producing and dividend paying basis. Duprat and Macassa are so far only prospects.

Loew's Buffalo

How do you regard the position of Loew's Buffalo common stock? The shares I understand are of a par value of $10 and have not as yet participated in any dividend disbursements.

The preferred of Loew's Buffalo theatre is selling at about half its par value and the common is selling at from 90 cents to $1.50 per share of the par value of $10.

Both these stocks are speculative. The common originally was issued as a bonus with the preferred and the outlook for it is not particularly bright. Loew's Theatre corporation has a contract with the Loew's booking organization for booking attractions and managing the theatre. It is not evident just how profitable or expensive this contract is. The theatre appears to be doing a large business. We would not recommend the stock for investment.

Canadian Light

I see that the stock of the Canadian Light and Power Company is selling about 21. Would this be a good speculation at this price?

The Canadian Light and Power Company some months ago passed through a reorganization of its capital structure and its finances are now on a satisfactory basis. It owns and operates a plant situated at St. Timothee, near Montreal. The company is controlled by the United Securities which is in turn controlled jointly by the Shawinigan Water and Power Company and the Montreal Light, Heat and Power Consolidated.

Thus, you will see that the Canadian Light and Power Company operates under the best of management and therefore we believe that if you invest some of your speculative funds in the common stock and hold it for a term of years, you should obtain some appreciation in your holdings.

Quebec Pulp & Paper

Will the Quebec Pulp and Paper Mills publish an annual report? How is the company doing?

We understand that the Quebec Pulp and Paper Mills will publish its annual report, but probably not for a month or two yet. We understand that the company is holding its own, which you can regard as satisfactory, as times have been hard everywhere for groundwood pulp producers. The market for groundwood pulp has not been good.

Perhaps, groundwood is too close to the raw material to obtain a good market; as you know, the timber market is most unsatisfactory.

Eventually, we believe, the market should show some improvement. If it does, the Quebec Pulp and Paper Mills would stand to benefit very materially. Then again, too, we learn that the company has some plans in view which might help earnings.

We believe that the best thing you can do with your stock is simply to regard it as an out and out speculation and put it away for several years. At the end of that time you may find that the company has materially improved its position. It depends principally on the markets for pulp and to a lesser degree on the efficiency of the management in being able to work out plans which should better the position of the company.

Algoma Bonds

Please let me have your opinion as soon as possible regarding the purchasing of a few of the Algoma Steel Bonds £100 fives, 1962. Do you recommend in view of future prospects? What is their present standing and at what price should they be purchased, if at all?

Enquiries we have received in the last few days indicate that high pressure salesmanship is at work to unload Algoma Steel 5 per cent. bonds at prices somewhat above the prevailing market. We have two enquiries which state that the bonds have been offered at $200 each for the par value of £100 sterling. The current market price for these bonds is around $150 and we have a quotation from a Toronto brokerage house at $148.75, including commission.

The future of Algoma Steel Corp. and the holding company, Lake Superior Corporation, is very uncertain, although prospects would be much brighter if the steel industry were given the degree of protection that it has been asking. If the company does not get the tariff it needs, the future is gloomy. The prevailing market price of approximately 30 per cent. of the par value indicates the highly speculative nature of the security.

Atlantic Sugar

In analyzing the position of the Atlantic Sugar Refineries and the possibility of the company resuming preferred dividend payments it appears that the position now occupied by the preferred stock is due in the main to the decline in raw sugar in 1920, yet at the same time, I note that the company was four years in arrears with its preferred dividends prior to that time. This indicates to me that the company operating under normal conditions might experience difficulty in earning its preferred dividends. I should therefore appreciate your comments on my summing up of the situation, for probably there are some factors which I have neglected to take into consideration.

Yes, the Atlantic Sugar Refineries experienced some difficulties prior to 1920, but it commenced earning sufficient to meet its dividends, although these were not paid, during the year 1918.

The Atlantic Sugar Refineries first commenced operating in February, 1915, and dividends on the preferred stock accrued from July 1, 1914. Thus, you will see that the company was handicapped by being in its initial stages of operation. It was also handicapped due to war conditions and finally, at the time to which you refer, it had outstanding $2,500,000 in preferred shares, as compared with a present preferred share capitalization of but $1,111,100.

In our opinion the liquidation of the company's raw sugar debt about a year ago placed it once again on a sound footing and while we look for an ultimate appreciation in the preferred stock, yet we believe that the appreciation will not be rapid because dividends cannot be paid until such time as the company's total bonded indebtedness has been reduced to below $3,000.000. At the present the funded debt amounts to some $4,000,000.

As for the company's ability to earn its preferred dividend requirements, we would remind you that earnings on the preferred in 1925, after all charges, amounted to 44 per cent., and we understand that earnings during 1926 were maintained at perhaps a little higher level.

Over the past few years the earnings of the company have not gone to the preferred shareholders but have gone to reduce the deficit standing in the profit and loss account, which in 1921 amounted to over $5,180,000. This deficit will be eliminated in the forthcoming balance sheet.

For some time to come, the surplus earnings of the company will be entirely applied to reducing its bonded indebtedness.

We regard the preferred shares of the company as a satisfactory purchase for a business man who is willing to hold the stock over a term of years. You need not, however, anticipate any immediate increase in the market price.

POST-Scripts

IT IS the general opinion of outsiders who watch the course of the stock market that insiders are the persons who make the money on the stocks. But this is not always true. The Financial Post recently interviewed the head of one of the largest Canadian companies, the stock of which has been steadily, if not spectacularly, rising in recent months.

"I hope it doesn't go any higher," said this man who knows the inside. "I advised all my friends to sell when it was five points below its present price." But the stock market value of the stock is based on the future of this industry. The head of the company is apparently so close to his daily job that he is letting the future take care of itself. It is another instance of being so close to the picture that one loses the perspective.

ECHOES of one of the Alvo von Alvensleben's dreams were heard in Supreme Court, Vancouver, when Knox Walkem, on behalf of bondholders, obtained from Justice D. A. McDonald an order for the sale of a fish plant at Pacofi, Queen Charlotte Islands, owned by Sea Products, Ltd.

Many years ago Alvensleben, German capitalist, planned the enterprise, and heavy machinery was installed. John McL. Graham bought the lot in 1923 for $3,500 and turned it over to Sea Products Limited, in exchange for shares. The business was not profitable, $1,262 taxes due the provincial government accumulated and other claims to an aggregate of $9,000. Recently W. H. Whalen offered to purchase at a price in the neighborhood of $4,000, which would pay taxes, preferred creditors and 5 per cent. to unsecured creditors and bondholders. His offer was accepted.

FLOW OF CANADIAN GOLD TO NEW YORK NO CAUSE TO WORRY

(Continued from page 10)

have shipped there during the first three months of this year about $45,000,000 in gold. At first glance it might seem that we were sacrificing our gold reserves to maintain parity of the Canadian dollar.

Necessity of Exporting Minted Gold

On the contrary, the large shipments are the virtual release accumulations of gold from our own mines and some sovereigns that we received last fall. Our financial system cannot possibly absorb about $40,000,000 of new gold mined each year and the winter and early spring months, when contraction in bank liabilities and foreign exchange demands occur, are the logical time to get rid of it. During 1924 and 1925 most of our crude bullion was shipped to the United States for refining and minting. Since December, 1925, however, our gold has been minted at the Canadian branch of the Royal Mint in Ottawa and has been available for our currency and banking reserves during the periods of seasonal growth in bank liabilities. Then with their contraction after the export of farm crops it becomes available for transfer to the United States where it is used as foreign exchange coverage or for banking investment. That is the explanation of the recent heavy gold movements.

It is far from easy to explain in simple language an economic phenomenon so complicated as that of gold movements. Nevertheless, it should be perceived (1) that the significance of gold transfers can be exaggerated; (2) that the New York money market is a valuable and indispensable adjunct of the Canadian banking system, and (3) that, as a result of our enlarged production of gold, exports of the metal should ordinarily not be viewed with alarm.

Facts affecting stock values

The weekly market letter issued by our Stock Exchange Department will be of value to those interested in facts affecting security values.

The current issue discusses Abitibi and the newsprint situation generally; C.P.R. in connection with contemplated stock issue, etc.

Write or ask Dept. 4 for a copy.

Greenshields & Co

Members Montreal Stock Exchange

17 St. John St., Montreal
also Mount Royal Hotel Building

TORONTO 14 King Street E.
OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street

91

Other People's Views

The Labrador Decision

Wall Street Journal says that the Labrador decision is important to the United States. Says the Journal:

"It is a decision of vital importance, not only to Newfoundland but to the United States as well, especially to all makers and users of paper.

"Large financial groups were greatly interested in the decision in Toronto, Montreal, London and New York.

"Now that Canada has threatened to put a tax on the export of pulp from Quebec, the situation has been changed by the opening up of a new source of supply, outside of Canadian control.

"The strangle-hold of Quebec on the pulp and paper output has been broken, and new companies will be formed to develop the resources of Labrador.

"So, the seizure of a few thousands of black spruce logs in Labrador in 1898 has now altered the whole situation, so far as the future of the paper trade is concerned."

A Sound Public Utility Investment

When you purchase the 6½% First Mortgage Bonds of Newfoundland Light & Power Company, Limited, you obtain a seasoned public utility investment, backed by a progressive light, power and traction business which has been in successful operation for more than 25 years.

The Company serves the city of St. John's, Nfld., and has the advantage of skilled management supervision supplied by International Power Company, Limited. Its business and earnings are steadily increasing and for the year 1926 the net operating earnings were equivalent to nearly 3 times First Mortgage Bond interest.

We recommend these Bonds for sound investment. Current quotation and information supplied upon request.

Royal Securities Corporation
LIMITED
164 St. James Street, Montreal
Toronto Winnipeg Halifax Vancouver Saint John New York Quebec

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FACTORIES AT
MONTREAL, TORONTO, OTTAWA
WINNIPEG, WELLAND

HEAD OFFICE:
MONTREAL

THE NATIONAL CITY COMPANY CANADA

General Motors Corporation

7% Preferred Stock

Dividends payable Feb 1, May 1, Aug. 1 & Nov. 1

General Motors Corporation is the largest and most complete organization of its kind. Net income available for preferred dividends has averaged over the past eight years 9.6 times requirements and for the year 1926 were approximately 23 times such requirements. The present market value of the securities ranking junior to this stock, which is the senior security of the Corporation, is over $1,300,000,000. Circular giving full particulars on request.

Price at Market, to yield over 5.80%

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Limited
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204 Blackburn Building, OTTAWA
71 St. Peter Street, QUEBEC
203

News of Investment Markets

EXPECT ADVANCE OF CANADIAN BOND PRICES IN STATES

Dominion Securities Have Failed to Keep Pace With Market

Recent extraordinary rise in most classes of high-grade investments on the New York exchange, has begun to make Canadian issues decidedly attractive to American investors. Stability of Canadian government and municipal issues is one of the more prominent reasons for this attitude. For several years past, a large percentage of these bonds have been placed, either wholly or in part, in the United States. The lack of new financing in the past three or four months has caused a scarcity of good bonds and demand has resulted in an appreciable advance in prices.

Whenever any broad upsweep in prices takes place there are likely to be neglected pockets in the market where prices have not kept pace, and at the present moment the obligations of the Dominion, its provinces and the more important Canadian cities illustrate well that point, writes R. G. Wasson, in the New York Tribune. When Canadians sell in line once more, one may be prepared to see 4½ per cent. long term bonds selling at par, and before long new issues with a 4 per cent., coupon, to be sold, of course, at a discount, may make their appearance.

Yield From 4.60 to 4.70

The yield on high grade obligations of Canadian communities, Mr. Masson states, now ranges roughly, from 4.60 to 4.70 per cent. They occupy a unique position, so far as rating goes, in the investment market. Supported in most cases by unlimited taxing power on ample property values, they are comparable for safety to obligations of American cities. But they are subject to taxation, which places them on a footing, so far as taxation goes, with our best railroad and utility bonds. Because they belong to a distinct political sovereignty, they are ineligible, through no fault of their own, for the New York savings bank list of legal investments. In the whole history of Canada there is no record of default on any obligations of the Dominion or of the provinces, or on any bonds guaranteed by them, or on the bonds of any important Canadian city. Though politically separated, Canada and the United States are becoming ever more tightly cemented economically; so true is this that Canadian bond issues have long ceased in Street parlance to be classed with "foreigns."

Stability of Price

Canadian issues enjoy one distinctive advantage over other high grade investments: they are perhaps the most stable class of long term securities for which there is a ready market in existence. This stability is due in part to the fact that prior to the World War the bulk of Canadian financing was handled in Great Britain, with portions of many issues being sold in Switzerland, Norway and Denmark. They thus enjoy an international market which American municipals are only beginning to attain, and their wide distribution means that the floating supply is ordinarily small. They are freed from the bondage to the money market which makes U.S. government obligations fluctuate from moment to moment; they enjoy as satisfactory over-the-counter market as good American municipals; and, being supported by taxes, they are relatively independent of the economic conditions which affect rails and utilities.

The stability of Canadian issues lends itself to statistical presentation. Here is a list of Canadian provincial and municipal bonds with their highest and lowest prices in the two years 1925-26:

	High	Low	Diff.
Quebec 4½s, '50	98	95¼	2¾
Ontario 5s, '42	102½	100	2½
Nova Scotia 5s, '43	102½	99¾	2¾
New Bruns. 5½s, '39	105¼	103¾	1½
Manitoba 5s, '44	102	99¾	2¼
Saskat. 5s, '43	101½	98⅞	2⅝
Brit. Col. 5s, '43	101¼	98¾	2½
Alberta 5s, '43	101¼	98¾	2½
Montreal 5s, '43	102	99⅝	2⅜
Toronto 5s, '45	102	99½	2½
Ottawa 5s, '45	102	99½	2½
Winnipeg 5s, '43	101¼	99¼	2

Spread in Corporates

The spread between the high and the low on these issues ranged from 1½ to 2¾ points. The spread of high grade American municipals of similar maturities averaged about 1 point more. And the spread on the best rails and utilities was much greater, as is shown by these samples:

	High	Low	Diff.
Atchison gen. 4s	93¼	88¼	5
Nor. Pac. 4s	92¼	83	9¼
Union Pac. 4s	95½	90¾	4¾
Amer. T. & T. 5s	102½	94½	8
Brooklyn Edison 5s	105½	99½	6⅜
Detroit Edison 5s	104½	99½	5

Since the beginning of 1925, legal railroad bonds have appreciated about 6 points, high grade utility bonds about 4 points, and Canadian bonds about 3 points. If the predictions emanating from semi-official sources in Washington of a cut in income tax rates next year prove justified, the tax exemption enjoyed by domestic municipals will become a less valuable adjunct, and the differential between them and Canadian municipal should tend to diminish. At the present moment the primary appeal of Canadians is, of course, their relative cheapness. Insurance companies can find in them a yield about 0.20 per cent. greater, on the average, than in corporate securities offering the same qualities of safety. That Canadian issues are popular with insurance companies is well known; of the total bond account of the Metropolitan Life, 12 per cent. consists of Canadians, and the percentage runs up as high as 19 per cent. in another institution.

Royal Trust Calls for Maple Leaf Milling Bonds

The Royal Trust Co. will until April 5 receive bids for the sale to it of 6½ per cent. bonds, series "A" of the Maple Leaf Milling Co., to an amount sufficient to exhaust $58,000. Each offer will be deemed to include accrued interest and to be for the whole or any part of the amount offered at the rate specified in the offer. Delivery of bonds and payment therefor in Canadian funds to be made at the office of the Royal Trust Co. on May 1, 1927.

Canadian Department Stores Issue Offered in New York

First mortgage, 6½ per cent. gold bonds of the Canadian Department Stores, Ltd., amounting to $2,500,000, are being offered in New York this week by a syndicate headed by Edmund Seymour and Co., at a price of 99½, and accrued interest, to yield 6.55 per cent.

This is part of the general financing scheme in connection with the establishment of a chain of departmental stores in Ontario by Municipal Bankers Corporation, Toronto. A first and refunding loan was recently offered on the Canandian market and is now largely placed.

QUEBEC SOUTHERN SELLS NEW COMMON

Financing Undertaken for Expansion and to Retire Preferred and Underlying Bonds

From Our Own Correspondent.

MONTREAL.—The investment house of Browne, Urquhart and Company is offering 55,000 shares of common stock of the Quebec Southern Power Corporation. The present financing provides for the purchase of the Quebec Southern Power Corporation, old company, by the Quebec Southern Power Corporation, new company. It provides also for the retirement of the entire issue of $500,000, 6½ per cent., first mortgage bonds of a wholly-owned subsidiary, and for the retirement of all the outstanding Quebec Southern Power Corporation preference shares. It is to reimburse the company for its cash outlay in connection with the recent acquisition of further water power sites and the l'Annonciation plant, and provides for the purchase of the Saint Donat plant. It provides funds, also, to bring the total developed power of the corporation to 10,000 horsepower.

The Deferred Shares

The common shares which are being issued are entitled to a preferential dividend of $2 per share per annum before any dividend is paid on the deferred shares. When dividends exceeding $2 per share are paid on the common, the deferred shares are entitled to participate share for share equally with the common shares. In 1924 the corporation had 1,150 connected customers, and by the close of 1926 this number had risen to 4,528. It is estimated that by the close of 1927 there will be 5,600 customers connected to its lines.

The particulars of the issue follow:

55,000 shares
Quebec Southern Power Corporation
Common stock of no par value.
Capitalization:

	Authorized	Issued
1st mtge. 6½% 20-yr. bds.	$2,000,000	$1,000,000
Com. shs. (no par val.)	200,000 shs.	75,000 shs.
Def. com. shs. (no p. v.)	40,000 shs.	40,000 shs.

The Company—Has been formed to acquire a predecessor company of the same name. The company has total waterpower sites which will develop 89,000 horsepower. All these are within 40 miles of Montreal. The company owns four hydro-electric plants with a present generating capacity of 6,100 horsepower. This will shortly be increased to more than 10,000 h.p. In addition, the corporation owns the option on the Saint Donat plant. Its distribution lines serve 44 communities.

Purpose—To retire $500,000 underlying bonds and the preference stock of the predecessor company and to finance further expansion.

Assets—Upon completion of present financing, total assets will amount to $1,329,785.

Earnings—Estimated for 1927, $200,000 gross. Gross earning during January, 1927, amounted to $13,900.

Franchises—The municipalities are served generally under exclusive franchises and are presumably renewable at the close of ten year periods.

Offered—March, 1927, by Browne, Urquhart and Company at $27.50 per share.

Offers Loretto Bonds

MONTREAL.—The investment house of Bray, Caron et Dube is offering at par $500,000 five per cent., first mortgage serial bonds of the Loretto Ladies' College, of Toronto. The issue is dated March 1, 1927, and matures serially between 1933 and 1957. The financing will be used to defray the cost of constructing an extension to the building which is now in the course of construction. The security available for this issue amounts to some $1,000,000.

Avon Power Expands

MONTREAL.—It is understood that the Avon River Power Company is planning to erect a pulp mill either at Windsor or at Kingsport, N. S. There is no definite information available regarding just when the company proposes to make a start on the erection of the new pulp plant.

$100,000 Offering Made of R. W. Rowe Preferred

From Our Own Correspondent.

MONTREAL.—Merkley and Company is offering $100,000 8 per cent. preferred shares of $100 par value of Robert W. Rowe, Ltd. The preferred stock is cumulative and redeemable at 105 at the option of the company. Each share of preferred stock carries with it a bonus of two shares of common. The capitalization consists of $100,000 in preferred shares, and 5,000 shares of common stock of no-par value. The company commenced operations in 1917 in a small way and has grown steadily into a well-established business, with its own factory in Montreal. It produces soaps, oils, polishes, and kindred chemical products. Up to the present, the company has been compelled to refuse orders owing to the lack of facilities for handling additional business. The present financing will be used to enlarge the factory and to enable the company to increase its business. The prospectus of the issue estimates earnings available for common stock at $11.40 per share.

J. S. Mitchell Shares Will go on Curb Soon

From Our Own Correspondent.

MONTREAL.—The common shares of J. S. Mitchell and Company will shortly be listed on the Montreal Curb Market. The company was formerly owned by private interests, but some months ago public financing was undertaken by the issuance of $600,000 in 7 per cent. preferred stock, which carried with it a bonus of common shares at the time the offering was made.

The capitalization consists of 6,000 preferred shares of $100 par value and 15,000 shares of common stock of no-par value. The company operates a large business in the eastern townships of the province of Quebec in those districts centering on Sherbrooke, P. Q., where its activities include the wholesale and retail distribution of mill, railway, mining, and contractors' supplies, and general hardware.

Cash Register Earnings Are Lower in 1926

National Cash Register Co. in 1926 had net profit of $6,760,639 after depreciation, which is equivalent to $6.14 per share on the 1,000,000 shares of no-par common stock outstanding. The average for five years has been $6,510,290.

These figures include the company's wholly owned subsidiaries. Reduction of 1926 earnings by $1,200,000, compared with 1925, is attributed to decrease in earnings of foreign subsidiaries and branches, increased agency commissions in the United States and increased manufacturing cost due to introduction of new models. It is said that the foreign business showed substantial improvement in the last four months of the year.

PREMIER RUBBER CO. STOCK STILL EXISTS

But Completion of Reorganization May Show if it is Worth Anything

Although both the preferred and common shares of Premier Rubber Co., Beamsville, are said to be valueless at present, this stock has not been wiped out as a result of the amalgamation of Premier Rubber Co., with Lincoln Rubber Products.

"The plans of the reorganization of the amalgamated companies do not anticipate the wiping out of these shares other than such changes that may be made by the shareholders themselves when the annual meeting is called," says an official of Lincoln Rubber Products. It is added that it is expected the annual meeting will be held shortly.

It is stated that interest on bonds on the Beamsville rubber plant is paid, except for the amount due January 2nd, this year. The reason given for the delay in making this payment was the failure of some of the bondholders to send the certificates to the trustees for indorsement made necessary by the placing of a $15,000 temporary first mortgage on the Beamsville plant. This $15,000, it is said, was used to liquidate a bank loan and to enable the company to increase the volume of spring shipments.

Hospital Issue Sold

MONTREAL.—The investment house of Bray, Caron et Dube is offering $1,500,000 first mortgage, 5½ per cent., ten year bonds of the Hospital of St. Sacrement. The bonds are dated December 1, 1926, to mature December 1, 1936. The issue is being sold at par. The proceeds will be used to erect an extension to the hospital in Quebec. The present building alone has a value of $1,800,000.

The British government has been asked to send experts to Canada in April to conduct a preliminary survey in connection with the proposal to erect mooring masts in this country for dirigibles.

Marcus Loew's Theatres Gross Profits $221,000

Marcus Loew's Theatres, Ltd., in 1926, earned $16.10 on the preferred shares, after depreciation and provision for taxes, compared with $9.30 in 1925. Preferred dividends are in arrears from the end of 1923. It is anticipated that some progress can be made in clearing up those arrears.

Gross profits from operation amounted to $221,227, compared with $212,415 in the previous year. Miscellaneous income of $41,538 and profits receivable from Loew's London Theatres of $1,635 brought total income to $264,400. From this has been deducted general expenses of $76,672, bond interest of $35,916 and depreciation of $36,987, leaving net of $114,824, contrasted with $79,736 in 1925 and $81,297 in 1924. The sum of $9,438 was reserved for Dominion taxes and $45,773 paid in preferred dividends. Surplus for the year, after the above deductions, totalled $59,613. Adding the balance forward of $116,804, the credit balance in profit and loss account is brought to $176,417.

The 8 per cent. second mortgage notes, which at the end of 1925 amounted to $202,151, have been practically retired, only $800 remaining outstanding at the end of 1926. First mortgage bonds show a reduction of approximately $43,000 at $345,720. Against this the company has bank loans of $151,100, secured by $346,100 of the 8 per cent. second mortgage notes.

Profit and Loss

	1926	1925
Gross profits	$221,227	$212,416
Misc. income	43,173	52,345
Total	$264,400	$264,761
Expenses	76,672	83,586
Bond interest	35,916	43,299
Depreciation	36,987	58,141
Net profit	$114,824	$ 79,736
Taxes	9,438	9,683
	$105,386	$ 70,053
Pref. dividend	45,773	45,773
Balance	$ 59,614	$ 24,280
Prev. bal.	116,805	92,525
P. & L. bal.	$176,419	$116,805

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Will you write us—without obligation—for details of issues we are now offering?

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UNEXPECTED PLUMS AID N.B. TO SHOW GOOD STATEMENT

Good Fortune Follows Province, Making New Taxes Unnecessary

From Our Own Correspondent.

Fredericton, N.B.—Hon. Antoine J. Leger, provincial secretary of the Province of New Brunswick, was able to provide a pleasant surprise in his budget. In last year's budget, he estimated a deficit for 1926 of nearly $700,000 but this year was able to declare a total deficit for the year upon current account of only $61,000. Moreover, for 1926, the deficit from operation of the Valley Railway of nearly $300,000 was paid out of current revenues, the first time this has been done in the history of the railway. The favorable showing made by the secretary is due in part to the ability to keep expenditures within estimates, to good luck in the yield of the succession duties and to the increased taxation imposed at last session.

This year, succession duties amounted to $595,372 or more than $200,000 above the average, and railway taxes amounted to $296,220 instead of $58,220 of former years. The increase in the latter was due to an agreement with the C. N. Railways under which this corporation pays taxes to the province of $119,000 a year and paid in last year taxes for two years.

Banks Pay Heavily

There was considerable increase in certain taxes on account of the special increases in tax rates imposed last session. The banks paid in $94,081 for the past year as against $29,554 for the previous year. The special tax increased the rate upon banks about threefold and evidently the banks gave correct returns and paid the tax. It is understood that this tax will not be imposed another year; at least, it will not continue at this high rate. The tax is excessive and it is recognized that it should not continue. The provincial secretary was not so fortunate in the yield of other special taxes for 1926. That imposed upon insurance companies did not bring the expected increases in revenue. The act last year increased the taxation upon these companies by one-half the amount of 1925. The returns from life insurance show an increase in taxation of about $21,000 but it is understood that most of this amount came from increase in business rather than from increase in rate, and the increase from fire insurance was about $8,000. The fact is that insurance corporations were able to secure better terms from the government under a section of the act which provides that the lieutenant-governor-in-council may abate or modify the special taxes.

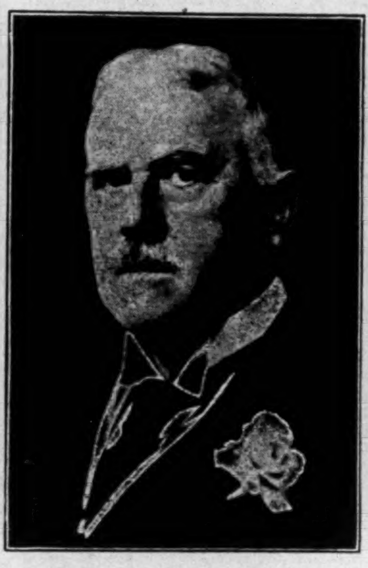
Tax Motors Through Gas Levy

The gasoline tax, imposed last session, brought in a revenue of $144,358 and it is estimated to give $225,000 for 1927. Last year the government reduced slightly the annual tax upon cars and has promised to make another reduction this year. It is considered just that a considerable portion of the taxation on motor vehicle owners should rest upon gasoline purchases, since the use of this motive power indicates quite well the use of the highway that is made by the owner of the car. From the increase in taxation of extra-provincial companies and from the annual filing of returns the province received another $50,000. These increases in taxation enabled the provincial secretary to balance his accounts for the year without imposing the provincial levy upon the municipalities provided for in the legislation of last year. In his budget the provincial secretary stated that the province has decided not to impose direct taxation upon the property and income of citizens as the municipal levy was intended to do.

The expenditures for 1927 were estimated at $4,831,841 and the revenues at $4,160,524, leaving a deficit on current account of $671,317. Such an estimated deficit last year led to legislation providing for direct taxation but this year the secretary regarded it without anxiety. Evidently he is counting upon the increase in subsidy which is recommended in the Duncan report. Moreover, the government has intimated that it intends to repeal the present Prohibition Act and to impose a form of government control in its stead. The provincial secretary and the premier have both asserted that this step is in the interest of sobriety and control rather than revenue, but the secretary made it clear in his budget that he expected an increase in revenue by this change. In 1926 the revenue from the Liquor Commission was a little less than $300,000.

The largest single shipment of motor oil ever made in Canada, a solid trainload of 26 cars of Marvelube, left Sarnia for various points in the west, but mostly for Vancouver.

Present at Opening of Building



HALEY FISKE,

President of Metropolitan Life Assurance Company, who is in Ottawa for the official opening of the company's new Canadian head office building.

A. F. C. FISKE,

Canadian vice-president of the company, who was responsible for the opening of a fine new Canadian building for the company.

MUNICIPAL BONDED DEBT LOWER IN '25

Wide Variation Shown in Returns for Various Provinces

Bonded indebtedness of urban and rural municipalities in Canada at the end of 1925 totalled $956,991,881, as compared with $989,191,332, or a decrease of $32,199,451, according to a special report prepared by the Bureau of Statistics. The municipalities in Ontario, Saskatchewan and Alberta showed a slight decrease for bonded debt in 1925 as compared with the preceding year, while the municipalities of Prince Edward Island, Nova Scotia, Quebec, Manitoba and British Columbia have steadily added to their indebtedness from 1919 to 1925. With regard to New Brunswick, the returns made to the provincial government from year to year are so incomplete that accurate comparability is impossible.

A detailed survey of the returns shows a wide difference in the bonded debt of urban and rural municipalities in each of the provinces. Ontario, for example, has an urban and rural bonded debt of $356,864,983 and $48,313,870. Quebec, on the other hand, with a slightly smaller urban population and larger rural population, has a bonded debt much under that recorded for the sister-province of Ontario. The following table shows the variation in rural and urban municipality bonded indebtedness:

	Urban	Rural
P. E. Island	$ 1,163,050	......
Nova Scotia	24,091,773	$ 1,630,862
New Brunswick	10,535,763	125,100
Quebec	225,070,500	6,288,279
Ontario	356,864,983	48,313,870
Manitoba	67,106,583	12,105,284
Saskatchewan	35,841,469	10,890,571
Alberta	57,853,276	55,317
Br. Columbia	73,761,034	25,294,167

These differences are more pronounced when shown on a per capita basis. The debt of British Columbia, both urban and rural, is seen to be higher in each instance than for any of the other provinces. The per capita figures for both classes of municipal indebtedness are shown below. The figures for New Brunswick are omitted as returns from that province were so incomplete that it would be misleading to show per capita returns:

	Urban	Rural
P. E. Island	$ 87.70	$ ...
Nova Scotia	106.11	5.49
New Brunswick	....	....
Ontario	194.70	45.03
Quebec	144.94	5.09
Manitoba	241.46	43.24
Saskatchewan	150.14	19.52
Alberta	231.73	.17
Br. Columbia	271.65	143.12

In comparing the classes of municipalities as between provinces, it must be borne in mind that the municipal systems of the several provinces vary with regard to the erection and incorporation of different kinds of municipalities, as in British Columbia where nine out of thirty-three cities have a population of 1,000 or less, while town municipalities do not exist. Again in Prince Edward Island, there is no system of rural municipalities, the provincial government administering all public loans and borrowings other than those made by the incorporated municipalities, which number one city and six towns.

Coal production in the province of British Columbia in February totalled 269,349 tons, nearly twice as great as the production in February, 1926.

To Reorganize Canadian Farm Implement Co.

Canadian Farm Implement Co., Medicine Hat, Alta., at present is undergoing a reorganization. Announcement of the plans for the reorganization will not be made until the annual meeting is called, probably within a few weeks. A. H. Greene is acting secretary-treasurer of the company.

Recent inquiries to the investment editor of The Financial Post indicate that stock jobbers in the Prairie Provinces are attempting to sell preferred and common stock of this company. In view of the pending reorganization it is difficult to decide what is the value of the stock at the moment.

Unlisted Bonds

	Bid	Asked
Abitibi P. & P. 6s, 1940	104	105
Algoma Steel 5s, 1962	29½	30½
Alberta Pac. Grain 6s, 1946	97	97⅞
Anticosti Corp., 6½s, 1941	102	103
Bell Telephone 5s, 1955	101	105⅝
Belgo Can. Paper 6s, 1943	102	102⅝
Brandram Henderson 6s, 1936	95½	97
B. C. Pulp & Paper 6s, 1950	83	87
Brompson P. & P. 6s, 1946	99	99½
Burns P. & Co. 6½s, 1943	103¼	104¼
Calgary Brewery 5s, 1942	88¾	90
Calgary Power 5s, 1940	92½	93¾
Canada Lt. & Pr. 5s, 1949	93	94
Can. Nor. Power 6½s, 1941	100¾	101⅝
Canada Paperboard 7s, 1937	98	99
Can. Steamship 5s, 1943	98⅞	99⅝
Can. Steamship 6s, 1941	97	97¾
Can. Steel Fndry. 6s, 1936	104½	105½
Davies, Wm., 6s, 1942	93½	94¼
Dominion Iron 5s, 1939	29½	31
Dominion Power and Tr. 5s, 1932	96¾	97¾
Dominion Textile 6s, 1949	106½	108
Drummond Investment 6½s, 1938	99¼	100
Duke Price Pr. 6s, 1966	104¾	105¾
East Kootenay Pr. 7s, 1942	103¾	105¼
Elec. Development 5s, 1933	104¼	100¾
Famous Players 6½s, 1943	99	100¼
Fraser Co. 6s, 1950	98	98¾
Gatineau Power 5s, 1956	96⅝	97
Gatineau Power 6s, 1941	99½	100
Howard Smith P. & P. 7s, 1941	103⅝	104¼
International Paper 6s, 1941	98⅛	98¾
King Edward Hotel 7s, 1944	89	92
Lake Superior P. & P. 6s, 1941	106¼	107½
Laurentian Pr. 6s, 1936	103	104½
Laurentide Pr. 5½s, 1946	101¼	102
Maple Leaf Mfg. 6½s, 1943	103¾	105
Maritime Tel. & Tel. 6s, 1941	103½	105
Manitoba Pr. 5½s, 1951	98¾	99½
Manitoba Pr. 5½s, 1951	98¾	99½
Mattagami P. & P. 7s, 1949	112	116
Mercury Mills 6½s, 1942	100¾	101¾
Mont. L. H. & Pr. 5s, 1951	99⅝	100
Mont. Pub. Service 5s, 1942	99	99⅝
Nor. Can. Pr. 6s, 1945	100¾	102
Nor. Ont. L. & P. 6s, 1946	100¾	101¾
Nor. West Utilities 7s, 1938	99	99¾
Nova Scotia Steel 5s, 1959	59	62
Nova Scotia Steel 6% Debs.	32¼	34½
Nova Scotia Tram. 5s, 1946	91¼	93
Nova Scotia Tram 7s, 1952	99½	100¾
Ont. Pulp & Paper 6s, 1931	109½	111
Ottawa Hull Pr. 6s, 1948	103½	104½
Ottawa L. H. & Pr. 6s, 1953	105	106
Ottawa Trac. 5½s, 1953	101½	102
Ottawa Riv. Pr. 6½s, 1953	102¼	103
Port Alfred P. & P. 6½s, 1943	101¾	102½
Price Bros. 6s, 1943	103¾	104¾
Prov. Lt. Pr. 5s, 1946	100¼	101¼
Page Hersey 6s, 1946	102	103
Quebec Pr. 6s, 1953	106¾	107¾
Rio Tramway 5s, 1935	[illegible]	95⅝
Sao Paulo Tram. 5s, 1929	98	98½
St. Lawrence Paper 6s, 1946	97½	98¼
St. Maurice Pr., 6½s, 1953	107¾	108⅝
St. Maurice Valley 6s, 1945	99	100¼
Shawinigan W. & P. 6s, 1950	105	106
Simpson, Robt. 5s, 1952	95	96½
Simpson's, Ltd., 6½s, 1945	103¼	104
Southern Can. Pr. 5s, 1955	98½	99⅛
Spanish Rvr. P. & P. 8s, 1941	107	107¾
West Kootenay Pr. 6s, 1943	103½	104½
Ottawa Mont. Pr. 6½s, 1949	102⅝	103⅛
West Pr. of Can. 5s, 1949	97¼	98¼

MONARCH MORTGAGE MAKES GOOD REPORT

Gross Earnings Equal to 15 Per Cent. of Paid-up Capital

A satisfactory showing was recorded by the Monarch Mortgage and Investment Co. for the year 1926, according to the president's statement to the shareholders. The gross earnings of the company were $29,748, equivalent to about 15 per cent. upon the average paid-up capital during the year. The general expense account amounted to $7,321, leaving a net income of $22,427.

Starting with a small capital in the year 1922, the company has made progress, until subscribed preferred capital stock at the end of 1926 amounted to $227,190, on which there had been paid $217,205.38 (the average paid-up capital for the year being less than $200,000). The company has distributed dividends to holders of preferred shares at the rate of 8 per cent. per annum since the beginning, and of late years a dividend of 2 per cent. per annum has been paid on the common stock. The profit and loss surplus at the end of 1926 totaled $38,618, which, along with reserve for mortgage discount, $19,019, and premium on capital stock sold, $600, gives total reserve funds of $58,238.

The board has been increased by the addition of Thomas Hilliard and Boyd Caldwell, the former being the president of the Dominion Life Assurance Co., of Waterloo, and the latter vice-president of the Queen's Hotel Co., of Toronto. J. E. Murphy, who has acted as president for a number of years, has, owing to his advanced age, been replaced by Dr. Albert A. Macdonald.

This Week's Bond Sales

New Toronto Bonds

The Canadian Bank of Commerce, bond department, have purchased a new issue, Town of New Toronto instalment bonds at 98.86 and interest, particulars as follows: Pavement, $70,750, 15 years, 5 per cent.; street extension, $7,650, 20 years, 5 per cent. The bids were:

Bank of Commerce	98.86
Bank of Nova Scotia	98.76
Wood, Gundy and Co.	98.60
C. H. Burgess & Co.	98.11
Dominion Bank	97.95
MacKay and MacKay	97.70
McLeod, Young, Weir and Co.	96.67
Royal Securities Corp.	97.53

Regina Sells Bonds

An issue of $227,675 City of Regina, 5 per cent. 15 and 30 year bonds has been sold to Dominion Securities Corp. on a bid of 99.64, or on a cost basis of approximately 5.03 per cent. The bids were:

Dom. Securities Corp.	99.64
John McGregor Co.	99.52
Nay & James	99.27
Bank of Commerce	99.05
C. C. Cross & Co.	98.65
Brouse, Mitchell & Co.	97.980
Cochran, Hay & Co. and George Moorhouse & Co.	98.81
Galloway, Cleary & Co.	98.75
McLeod, Young, Weir & Co.	98.18
Fry, Mills, Spence & Co.	98.817
Wood, Gundy & Co.	99.259
Bell, Gouinlock & Co.	99.09
Royal Securities Corp.	99.037
C. H. Burgess & Co.	98.77
Dyment, Anderson & Co.	98.813

Tenders and By-laws

March 28.—St. Joseph d'Alma, P.Q.—$75,000, serial 5½ per cent. debentures. J. E. Cote, Sec.-Treas.

March 29.—School Commission of St. Dominique du Lac.—$8,000, 5 per cent., serial bonds. C. H. Michaud, Sec.-Treas.

March 25.—Village of Humberstone.—$175,636, 5 per cent., 30-instal. debentures. J. J. Wichmann, Village Clerk, Humberstone.

March 25.—Waterloo.—$33,393, 5 per cent., 10, 15 and 20 year bonds.

Apr. 4—Township of Barton—$6,194, 5½ per cent. 10-year local improvement bonds. S. G. Sims, Clerk. (See announcement on page 16.)

SASKATCHEWAN

Authorizations Granted by the Local Government Board, from March 5th to March 12th, 1927

Schools—Rocky Ledge, No. 4671, $3,000; Hodgeville, No. 3643, $1,000; Levant, No. 1591, $1,500; Newnham, No. 1972, $4,500; Pilot, No. 2532, $2,000; Biggar, No. 2497, $26,000; Etaples, No. 4578, $4,000; Myler, No. 1079, $5,500.

Debentures Reported Sold

Greenview S.D. No. 4373, $1,000, 10 yrs., 6%, Sask. Farmers Mutual Fire Insurance; Warrier R. T. Co., $3,400, 15 yrs., 5¾%, Moorhouse & Co., Regina; Denzil, R. T. Co., $2,300, 15 yrs., 6%, Cross & Company, Regina.

Decks Gravel and Rock Co. will spend $125,000 in increasing its plant at Coquitlam, B. C., where an area of 125 acres, with an estimated fifteen million yards of gravel, has been secured.

BOND MOVEMENTS OF THE WEEK

Week Ending March 22

Bonds—	Int. Rate	Due	Yield	Range, 1926 High	Range, 1926 Low	Range, 1927 High	Range, 1927 Low	Ask	Bid	Latest Price High	Latest Price Low
Asbestos, 1st mtge.	6	1941	5.94	..	..	101⅜	96¼	101⅞	100⅞	100½	..
Do., gen. mtge.	6	1956	6.83	88¾	81	94¼	88	93	92	93	92
Calgary Power	5	1940	5.77	81⅛	91¼	92⅝	92⅝	92⅝	..	92⅝	..
Can. L. and Pr.	5	1949	5.54	90	87¾	93	92½	..	..	93	92½
Cedar Rapids	5	1953	5.00	101½	98⅛	101	99	..	99¾	100	..
Dom. Iron	5	1929	15.01	94	86	92	69	..	76½	76½	..
Montreal Power	5	1933	5.02	99½	99½	100	99½	..	..	99⅞	..
Montreal Trans. "A"	5	1955	5.20	95	92½	97¾	94¼	96⅝	96¼	97	96
Do., 1st mtge.	5	1941	5.09	98½	93	99⅞	98¾	99⅝	99⅛	99⅛	..
N. S. Trams	7	1952	7.04	98	95⅞	99½	99¼	..	..	99½	99¼
Quebec Rly.	5	1939	5.19	100	91⅞	99½	96	98½	97½	98¼	98
Wayagamack	6	1951	6.03	100⅝	90	100	97	99½	98½	99½	98½
War Loan	5	1931	4.60	104.40	100.35	101.85	101.00	101.35	101.25	101.45	101.35
Do.	5	1937	4.55	104.95	102.75	104.20	102.90	103.45	103.20	103.20	103.05
Victory Loan	5½	1927	4.70	102.50	100.15	101.00	100.25	100.75	100.50	100.50	100.35
Do.	5½	1933	4.78	106.35	103.20	104.80	103.90	104.25	104.20	104.30	103.90
Do.	5½	1934	4.91	104.40	102.65	104.05	103.15	103.70	103.60	103.75	103.40
Do.	5½	1937	4.60	109.30	106.70	108.00	106.90	107.20	107.05	107.10	106.95
Do., Renewal	5½	1927	4.60	101.95	100.00	100.80	100.20	100.60	100.50	100.40	100.30
Do.	5½	1932	4.80	103.85	102.00	103.45	102.45	103.35	103.10	103.35	102.95
Do., Refund	5	1928	4.60	101.35	99.00	101.00	100.00	100.60	100.50	100.60	100.35
Do.	4½	1940	4.66	96.95	95.60	98.70	96.60	98.25	98.15	98.40	98.15
Do.	5	1945	4.78	102.80	101.10	103.00	102.30	102.60	102.50	102.55	102.35
Do.	4½	1944	4.64	97.15	95.70	98.85	96.60	98.30	98.15	98.45	98.00
Do.	4½	1946	4.58	96.90	95.65	98.60	96.70	98.40	98.25	98.60	98.15

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Regina	Mar.	Dom. Securities Corp.	5%	15 & 30 yr.	$227,675	99.64	5.03
La Salle School	Mar.	Credit Anglo-Francais	5½%	Serial	15,000	103.05	5.23
New Toronto	Mar.	Bank of Commerce	5%	15 & 20 yr.	78,400	98.86	...
Georgetown	Mar.	H. R. Murrins	...	20 yr.	5,200	102	...
Georgetown	Mar.	H. R. Murrins		10 yr.	700	101.50	...
Bagotville	Mar.	Credit Anglo-Francais	5½%	Serial	35,000	101.34	5.37
St. Fulgence	Mar.	Credit Anglo-Francais	...	Serial	25,000	102.15	...
Thornbury	Mar.	Harris, MacKeen & Co.	5%	30 yr.	26,000	103.15	4.80
Sask. Schs. and Phones	Mar.	Various	...	......	6,700	....	...
Greater Vancouver Water Dis.	Mar.	Wood. Gundy & Co.	5%	1966	1,000,000	102.25	4.87

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Port Alfred Pulp and Paper	Mar.	Wood. Gundy & Co.	6%	1943	2,175,000	99.50	6.05
Homeopathic Hospital, Montreal	Mar.	Credit Anglo-Francais	5½%	Serial	175,000	....	...
Hospital du St. Sacrement, Que.	Mar.	Provincial Securities	5½%	1936	1,500,000	100	5½%
Rosedale Housing	Mar.	W. N. McEachren & Co.	6½%	1947	250,000	100	6½%

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Insurance for Buyer and Seller

SUB-STANDARD RISK NOW GETS LIFE INSURANCE

Study by Actuaries Leads to Systems of Rating Them

The far-reaching effects of alcohol, avoirdupois and tuberculosis, on the prospective purchaser of life insurance, were emphasized by J. H. Birkenshaw, assistant actury of the Confederation Life Association, in an address before the Insurance Institute of Toronto, on the "Selection of Risks." Although only ten or fifteen per cent. of life insurance risks are considered as sub-standard, nevertheless it is these risks which occupy the most attention and present practically all the difficulties which the medical committees have to face. Very few applicants fail to receive some offer of life insurance, and as the 85 or 90 per cent. of good risks present little or no difficulty to the companies, it is those who are accepted with some modification of plan or premium, who present many and varied problems to the selection or underwriting committee.

In order to provide for the expected extra mortality of these sub-standard risks, various methods have been devised for accepting the risk involved. The most important method used by Canadian life companies is the "rating-up in age" method, where the applicant is charged a premium for a higher age than his true age.

Under this method the insured is given exactly the same policy as an insured who is actually the rated age. He pays the same premiums and receives the same values and dividends. The agent also receives the same commissions as if he had sold a policy at the higher age. The fact that the insured in case of surrender receives a higher surrender value, and also receives higher dividends during the currency of the policy, is an inducement to accept the rated insurance, as he feels that the extra premium charged is, to a considerable extent, refunded if he survives.

What is Best Weight?

At the younger ages the best mortality was experienced on those from five to ten pounds above the average weight; that at the middle ages the best mortality was on those of average weight, while on the older lives the best mortality was on those slightly under average weight.

Underweight was a serious impairment at the early ages, but at ages over 40 even a considerable degree of underweight was of little importance.

Overweight is a serious impairment at all ages, and the extra mortality to be expected increases with increase in weight over the average.

Alcohol Adds to Death Rate

Investigation of the use of liquor has brought out the fact that three classes of abnormal users of alcohol all showed a high mortality, the rate increasing with the amount of alcohol consumed. Applicants who had reformed after taking a cure did not have a favorable mortality, although the group which had shown a reformation for a period of over five years without having taken a cure were practically normal risks.

This feature, which centres around the question of habits, is practically the most difficult of all to assess.

In the first place, we have, at present, constantly changing laws, making liquor at one time more easily procurable, at the next more difficult, and this undoubtedly has considerable effect on the habits of many insured. In the second place, it is very difficult to arrive at any correct estimate of the amount of liquor that an individual takes. Perhaps there are no replies on the application blank on which so little reliance can be placed. It is a rare case where the applicant places a liberal interpretation on the amount of liquor consumed, and there seems no other way in which these questions can be framed to bring out correct information. But as all investigations into the mortality of applicants who used alcohol freely have indicated a considerable extra mortality, the question is of much importance. At the present time most companies obtain an independent confidential report on their applicants for insurance, and it is probable that our information is much more accurate than when these reports were not obtained.

Where such a report reveals the steady, free use of alcohol, the excessive use, or a past history of intemperance, it is usual to obtain an alternate report, as one report can hardly be depended upon. In this connection, even where the second report is in close agreement, it is quite often advisable to have a confirmatory investigation made by the agency. The point in this is that, not knowing the opinion of the original informants, they also cannot always be depended upon. Some people have liberal views on the liquor question, many have not, and the reporter's viewpoint, which is not known to the company, enters into the report he makes.

Where all reports indicate a free, daily use of alcohol, a rating should be required. Where they indicate occasional excesses only, occurring not oftener than five or six times a year, and for a few hours only, the risk is probably acceptable at standard rates, at any rate on the higher premium plans. Where the reports indicate that the excesses occur more frequently than this, a rating should be applied. The cases where the excesses are of considerable duration, that is, two or three days or a week, the risk is a doubtful one, even although these sprees may occur only two or three times a year.

It is difficult to draw up any set of rules to follow in these cases of habits, and still more difficult to follow them because of the impossibility in most cases of determining the actual facts. Each case has to be dealt with by the medical committee on its merits. Many of these risks may be dealt with on the basis of endowment assurance at standard rates, and often it is the most satisfactory way of disposing of doubtful cases. The keeping up of the endowment policy will be an element in the applicant's favor. The higher-priced policy is more likely to be dropped if the insured's habits deteriorate owing to lack of funds.

Effect of Tuberculosis

In regard to family history of tuberculosis, results show a high mortality where there was a history of tuberculosis in young underweight applicants, the mortality increasing with the degree of underweight. Another very important fact was to the effect that the death of a brother or sister from tuberculosis was approximately as great as an impairment as the death of a parent. As a result of information brought out on the effect of a death from tuberculosis in the family, it has been possible to construct fairly complete tables, indicating the effect of one or more deaths from tuberculosis in the family. The table, of course, is made up on the basis of departure from the average weight, and the age of the applicant.

Races Show Variation

Practically all mortality investigations that have been made would indicate that the mortality of one race is not the same as that of another. In Canada the insurance business is based upon insurance arising from Caucasians, and the business on other races is of a very limited amount. For this reason it has been the practice of companies to endeavor to provide for the different incidents of mortality by issuing only endowment policies and still distributing surplus on the same basis as that on insurance issued to Caucasians. This practice, however, is not exactly correct, and the insurance should really be issued on the basis of a mortality curve derived from an investigation into the mortality experience of the race in question.

The issue of sub-standard business has become general. This means the extension of the benefits of insurance much more widely, and this class of risk is probably in greater need of insurance than the applicant in first-class health. It also means less wasted effort on the part of the agency force and, where it is possible to obtain a policy as applied for, it is at least some satisfaction to the agent to offer his prospect some form of insurance protection. The company will be able to place these rated policies according as the ratings appear fair to the agent and the applicant. It is not to be expected that as large a proportion of these policies will be placed as in the case of policies issued as applied for. Probably to be able to place two out of three could be considered a satisfactory result.

Life Insurance Sales in Canada

	1922 $	1923 $	1924 $	1925 $	1926 $	1927 $
January	27,432,000	28,108,000	30,673,000	30,838,000	33,907,000	36,986,000
February	26,023,000	25,409,000	30,704,000	28,698,000	34,744,000	35,525,000
March	27,516,000	28,142,000	34,383,000	35,001,000	40,483,000	....
April	26,547,000	29,966,000	32,603,000	35,872,000	37,346,000	....
May	30,413,000	29,762,000	33,368,000	34,377,000	37,703,000	....
June	33,437,000	31,865,000	34,295,000	42,307,000	44,634,000	....
July	26,119,000	31,539,000	33,205,000	37,671,000	40,101,000	....
August	26,720,000	31,065,000	27,983,000	31,724,000	36,010,000	....
September	25,081,000	25,979,000	30,029,000	33,543,000	34,878,000	....
October	29,102,000	33,470,000	32,483,000	36,259,000	40,226,000	....
November	29,664,000	34,165,000	34,357,000	36,760,000	44,251,000	....
December	32,995,000	37,377,000	37,120,000	41,822,000	46,777,000	....

*Companies having in force 84 per cent. of total outstanding business in Canada. New, ordinary business only. Figures by Life Insurance Sales Research Bureau, Hartford, Connecticut.

Total 1927, two months	$72,511,000
Total 1926, two months	68,651,000
Increase to date	$3,860,000

FARMERS' MUTUAL FIRE COMPANIES PROSPERED IN '26

Give Good Service to Farmers, Declares Ontario Superintendent

By R. LEIGHTON FOSTER,

Superintendent of Insurance, Ontario, in address to Mutual Fire Underwriters' Association of Ontario.

The year 1926 was the most prosperous year for the mutual and cash mutual companies of Ontario which they have enjoyed since 1920. The seventy-one purely mutual companies insuring only agricultural and non-hazardous risks, were particularly fortunate. At the end of 1926 the net amount of insurance in force on the books of these companies was $548,030,186, and during the year the companies paid losses of $881,477. During the preceding year with a lesser amount of net insurance in force, viz: $523,055,132, the same companies paid losses amounting to $1,128,751. In other words, with nearly $25,000,000 more insurance in force, the amount paid for losses was $247,274 less than the amount paid during 1925.

The three mutual companies writing weather insurance were similarly fortunate. These companies have a net amount of insurance at risk aggregating $33,559,558. During the year 1926 they paid for losses $9,684; during the year 1925 the same companies had paid $16,731 in losses.

The experience of the four cash mutual companies and the Wellington Fire Insurance Company was also favorable, although detailed figures are not presently available.

Have Large Amount at Risk

The important position which the mutual companies of the province occupy in the fire insurance field is emphasized by the figures showing the gross amount at risk on the books of the companies at the end of 1926. The seventy-one purely mutual companies had gross insurance in force aggregating $618,619,495, and this amount, together with the amount in force on the books of the cash mutual companies and the Wellington, makes a grand total of $647,461,160. It is apparent that not only do the mutual companies insure the very great bulk of the agricultural property of the province, but that their insurance represents no inconsiderable proportion of the total amount of fire insurance in the province on the books of all companies.

Probably the most remarkable feature of the analysis of the annual statements of the mutual companies showing their business as at the end of 1926, is the tremendous increase in the amount of invested and cash assets which the companies held at the end of the year against future losses and further reduction in rates. There has been an increase of practically 50 per cent. in one year in the aggregate amount of mortgages and debentures owned by the seventy-one purely mutual companies. This amount at the end of 1925 was $843,927. Within twelve months this amount had increased to $1,264,753, or an increase during the year of $420,826. During the same period cash at head offices and in banks had increased from $542,167 to $698,273, an increase of $156,100. The excellent and improved financial condition of the same companies is emphasized by the amount of borrowed money at the end of the year. At the end of 1925 the companies owed the banks $61,645; at the end of 1926 all the companies owed the banks an aggregate of only $9,100.

Farmers Are Fortunate

The farmers of Ontario are singularly fortunate in the insurance facilities afforded by mutual companies. It is remarkable to be able to state, and likewise a great tribute to the management of the companies, that the percentage of average cost of management to average amount at risk, and that the average amount paid for losses to average amount at risk, i.e., actual cost of insurance afforded by these companies during the year 1926, was 21-1/3c. per $100 of insurance in force. This net cost has never at any time in the history of the mutual companies exceeded 30c. per $100, although, during the years 1921, 1922 and 1923, the costs were 25¾c., 27-1/3c. and 29½c. The net cost during 1926 of 21-1/3c. is the lowest since 1920, when the net cost dropped to 19½c. The inestimable value of the insurance service which the mutual companies are affording the agricultural community of this province is clearly indicated by these figures and demands no further comment.

CANADIANS CARRY $492 LIFE INSURANCE

This is Average Protection Afforded According to Dom. Government Figures

The total amount of life insurance carried by Canadians during 1926, amounts to $492.19 per capita, according to the preliminary figures issued from the department at Ottawa. Last year the capita insurance on the life of every Canadian citizen was $444.11 and in 1924 only $407.94. These new figures for the year just ended, bear out very well the previous optimistic reports as to the amount of life insurance business that was written in Canada in 1926.

The gross amount of new life insurance issued by Canadian companies was $605,221,893, as compared with $523,710,785 in 1925. British companies issued $17,779,506, as compared with $18,270,067, while foreign companies issued $286,302,788, against $265,098,183. The total for all classes of companies of $909,304,187 is an increase of 12.7 per cent. over the amount issued in 1925, $807,079,035.

The net amount of business in force for Canadian companies is shown as $2,279,652,730; for British companies, $111,375,288, and for foreign companies $1,518,874,230, making a total business at the end of 1926 of $4,609,902,248, as compared with $4,159,019,848 at the end of 1925, an increase of $450,882,400. The increase in 1925 was $395,023,376, and for 1924, $330,487,799.

Comparative figures for the year and last ten years are as follows:

Life Insurance in Canada 1916-1926

	Ins. in force per head of population	Amt. of new busi. during year
1916	$176.99	$231,101,625
1917	193.77	282,120,430
1918	214.33	313,251,556
1919	258.04	524,543,629
1920	307.83	641,778,095
1921	333.94	528,193,352
1922	354.74	513,850,912
1923	378.02	561,182,427
1924	407.94	628,687,615
1925	444.11	807,079,035
1926	492.19	909,304,187

Mutual Insurance Men Talk of Fire Prevention

At their annual convention held in Toronto last week, the Mutual Fire Underwriters' Association of Ontario centred their discussion about fire prevention, and stressed the importance of fact that over 90 per cent. of the farm fires occurring every year were preventable. As a result of their discussion of the need for a stricter inspection of property, it is expected that some joint action will be taken directly between the mutual companies and the Ontario government.

One of the new points that was mentioned in regard to fire risk on farm property, was the radio. In speaking about this newcomer on the farm, Deputy Fire Marshal George F. Lewis, warned the association against the fallacy that a lightning arrester on a radio was a complete guard against lightning. This device, said Mr. Lewis, simply protected the radio itself. In order to have complete protection it was necessary to have a loop on the wire leading down from the aerial around the receiving apparatus, and that this should be connected up when the radio was not in use. Such a loop would carry the charge down into the ground. Mr. Lewis also warned the insurance men against using the radio during an electric storm and also against placing the radio aerial above the tops of lightning rods.

The following members were elected as officers for the coming year: President, A. W. Hilborn, Galt; First Vice-President, T. B. Harvey, Merlin; Second Vice-President, J. J. Parsons, Jarvis; Secretary-Treasurer, T. M. Caley, M.P., Norwich. Executive Committee—Col. G. H. Elliott, Sault Ste. Marie; H. Gillander, Ridgetown; E. J. W. Sutherland, Embro; J. I. Fletcher, Hannon, and W. S. McKercher, Wroxeter.

The annual report of the Fire Insurance Co. of Canada for the year 1926 shows a very satisfactory state of affairs, both in regard to the business written during the year and the company's financial position. The company's loss ratio was 51.87, as against 53.87 in 1925, and furthermore, the company wrote gross premiums amounting to $642,164, an increase of $67,416 over 1925. Net premiums stood at $334,055, with a net increase of $21,719. The company has assets amounting to $948,119, which are $129,232 above the 1925 figure. Expense ratio for the year was 37.08 per cent. Senator R. Dandurand is president of the company, whose head office is in Montreal.

Foundries Stronger

MONTREAL.—The preferred shares of the Canada Iron Foundries have been moving upwards, and this week made a gain of 3½ points, and sold at 52½. The appreciation reflects, no doubt, the general improvement in Canadian business, which ultimately affects the metal-working industries. The stock is non-cumulative.

Expect Quebec Will Have State Compensation Fund

In spite of the sudden decision of the Quebec government to withdraw the new Workmen's Compensation Act on the very eve of its coming into force, the organization of the Quebec Mutual Casualty Company is proceeding apace. The Quebec House gave the third reading to the bill of incorporation the other day, and Premier Taschereau remarked that even if the new Act did not go into effect this year, it would be interesting to know what rates the company would establish in comparison with the rates of established companies.

The complete reversal on the part of the government towards the bill, has caused considerable comment among the insurance companies, many of whom now find themselves wholly unprepared for the new situation which will prevail on April 1. Considerable money and effort has been spent by the companies who were preparing to write this class of business, in adapting themselves to the conditions which were expected to prevail under the proposed new bill. The decision of the government to withdraw the controversial piece of legislation, came as a thunderbolt to the insurance companies.

There is considerable speculation in the province as to whether or not the decision of the government is prophetic of a monopolistic state fund after April 1, 1928.

THE ONTARIO EQUITABLE
LIFE AND ACCIDENT INSURANCE CO.
S. C. TWEED, *President*
HEAD OFFICE: WATERLOO, ONTARIO
Assets (Dec. 31, 1926) $3,822,316
Reserves 2,422,896
Insurance in Force...23,050,441

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Ordinary Life
Paid up in 19 years!

Policy 31434
Amt. $3000
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This policy called for premiums payable during the policyholder's whole life time, but because of the profits earned by The Great-West Life, less than 19 premiums were required.

This fully paid-up policy will continue to participate in profits every five years.

Protection with Profit
32

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SEATTLE, WASHINGTON
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HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
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Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

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LIFE—20 Payment.
(With Cash Surrender Values and Automatic Non-forfeiture).
OLD AGE BENEFIT CERTIFICATE—With 100% Disability and 100% Old Age Benefit.
(With Cash Surrender Values and Automatic Non-forfeiture).
ENDOWMENT—20 Year with Disability Features.
(Surrender Values and Automatic Non-forfeiture.)
The Society still issues its standard Policy (Whole Life) with 70% Disability and 70% Old Age Benefit.
HEALTH AND ACCIDENT POLICY.
(Ten Dollars per week, Benefits Unrestricted. Non-cancellable with Disability and Paid-up Features).
JUVENILE INSURANCE
POLICIES ISSUED FROM $1,000 to $5,000.
For Rates and Particulars, Write Head Office.
THE INDEPENDENT ORDER OF FORESTERS - TORONTO, CAN.

A Substitute for Time!

Think of being able to eliminate Time, to bring the future—even 20 years or more hence—into the present.

This is the great contribution Life Insurance makes to modern living. It enables you to guarantee to your family at the present time all you are likely to earn in the years to come, even if you do not live to earn it.

—And, it must be remembered, upon this future earning power rest the destinies of your wife and family.

* * * *

Recent researches have led The London Life to offer The Earning Power Series—a true substitute for Time.

They provide protection over your productive period (to ages 60 or 65); or, by the Interchange Privilege, for your entire lifetime.

Examples of Rates
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Amount	Age	Premium	Rate to sum assured
$10,000	20	$110.50	1%
10,000	30	125.00	1¼%
10,000	40	154.50	1½%

The Earning Power Series are Annual Dividend policies, the triumph of 1927 in low cost life insurance protection!

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"Canada's *Industrial-Ordinary* Company"
HEAD OFFICE - LONDON, CANADA

Current Events in Banking World

Are Big Offices Greedy About Holding the Large Accounts?

By C.P.

I called the other day on my old friend Brown. He's manager of a small branch situated in the heart of a factory district. He and I worked together at the main office in 1914.

As I walked into his office he was sitting at his desk. It was about five o'clock.

"Things must be humming at your branch," I said, "if you have to wait until five every day to lock up."

"Far from it," he replied. "The only time I have to stay so late is when we make up the payroll for the Smith Agricultural Machinery concern."

A few minutes later we were outside, walking home together.

"So you've managed to obtain the Smith account?" I queried.

"No such luck. All we have is the company's payroll account. Their principal account is held by the main office. As you know, they're heavy borrowers and I'd give my eye teeth to possess their business, but you can't work against your own main office."

I knew how he felt about it. I was sympathetic. But I felt I had touched a sore spot and to change the subject, said: "Oh, well, I suppose you have a lot of other borrowing accounts. You are surrounded by factories."

"Wrong again," said Brown. "Nearly all the big concerns around here bank at the main offices."

"Question of service?" I suggested.

"Not at all," he replied sorrowfully. "The accounts were held by the main offices long before the branches in this district were opened and there they remain."

"It seems to me that it would be far more profitable for the Bank to have the accounts distributed amongst the branches," said I, as an idea began to develop. I had met this problem before.

"Possibly so," he replied, "but how would you effect the change?"

"In the first place, it would save time for the customer in your district in traveling unnecessary distances to his bank and the latter would effect a saving, because if the accounts were distributed they could be handled under a smaller overhead; the larger branches would be relieved . . . . ."

"Of profits;" he interrupted. "You've already indicated the impracticability of your idea."

"Wait a minute," I replied. "The managers of the main offices would undoubtedly look at the matter in this light. But the bank as a whole would profit. I can quite understand and sympathize with a manager who dislikes to part with any of his accounts, but if, say, John Smith's business is situated nearer your office than it is to mine, and if head office could arrange matters so that my office would continue to receive a certain percentage of the profits in connection with the account, in the case of its transfer to your branch, my main objection to its removal would be met. Your branch would benefit indirectly more than mine, owing to the proximity of Smith's factory to your office, and as your business is so much smaller than mine you would be able to give the account greater personal attention than it receives from me. If, for example, ten of my borrowing accounts were distributed amongst the same number of branches, the latter could handle them with their present staff and I would be able to effect a saving in overhead through a reduction in the number of my 'deck' hands. That's how the bank would save money. Incidentally, under such a system, the smaller branches would assume greater importance in the eyes of the public and many a manager who is now going to seed through lack of loaning experience, would take on a new lease of life if further interests were injected into his business."

But Brown still saw objections. He said: "You say the chief objection would be removed through an adjustment or sharing of profits, but I imagine the real obstacle in the way of having your ideas put into force would be that of allowing the manager of a small branch to handle large accounts."

"The larger the account, the easier it is to handle," I replied. "Unless such a business is in bad shape, give me the large account to operate every time. The smaller accounts usually require just as careful handling as the large. A branch holding a large number of small accounts often requires a better man at the helm than an office having a small number of large accounts. Some of these are child's play and run themselves."

"Sounds all right," agreed Brown, "but I daresay it would be pretty hard to convince head office of its value."

"Well, Rome wasn't built in a day. Some day, perhaps . . . . ." But Brown ran to catch his car and I could not discuss the millenium with him.

British Farthing Passes But Foot and Yard Stay

American Banker, New York.

British merchants' associations are dropping the farthing from price quotations. They have found that women customers are no longer interested enough to wait for such small change, nor did they appear to care much for the package of pins which in some cases were substituted for the minor coin. This may appear to be an insignificant thing of itself, but it has a deeper meaning. A farthing is half a cent, as those of us who toiled through simple arithmetic may recall. Once it would buy something. Following the war its purchasing power has dwindled—as much as half, perhaps, since the days of extreme inflation. By itself it won't buy much now, nor does it seem probable that its value will increase appreciably during the next year or so. One would imagine that with the oppressively large percentage of idleness in England, a farthing would be, to those out of work, well worth waiting for, but human nature is pretty much the same the world over.

Our smallest coin, the cent piece, while humble enough in the present scale of domestic economy, is a useful member of our monetary family. There is talk occasionally of giving it an even smaller relation, in the form of a one-half cent piece. Bankers do not favor this, nor do merchants. The ordinary citizen would not welcome it. The one cent piece to-day, compared with its pre-war value, is really about a two-third cent coin. That is fractional enough for every day transactions.

Some day we may have a new piece of money in the form of a half nickel, or a two and one-half cent token. This, it is claimed, would perform a real work in the retail world. That it would occasion a lot of real work in the banking and mercantile business is certain. While based on the decimal system and capable of easy subdivision, it is doubtful whether any further splitting of the present denominations of American coinage will be sanctioned for a long time to come.

Americans can well understand why the farthing has been put outside the society of polite money exchange. They are more at a loss to find a reason fot the continued adherence of the British to a system of coinage based on [illegible] antecedents. Still, we ourselves cling to the yard, that good old standard established by some dead and gone king with a long arm, and to the avoirdupois and liquid measures of illogical derivations. No wonder that so many good people, including a strikingly large proportion of bankers, are giving aid and support to metric league organizations.

Government Strikes Little New Coinage for Canada

Canada has struck off no gold coinage since 1914 according to information given in the House of Commons by Hon. James A. Robb, in an answer to a question. Gold coins were struck off in 1912, 1913, and 1914 but none since. Gold coins will not be struck off unless demand warrants it.

There has not been much new silver coinage struck. Totals of silver coinage struck in 1922 was $24,000; in 1923, $28,000; in 1924, none; in 1925, $14,000 and in 1926 $50,000. However, average circulation of silver coinage is over $26,000,000.

United States coin is now being accepted at offices of the assistant receivers general and is exported by the government to the United States. Between June 15 last, when the system came into force, and March 8 of this year, $1,442,500 had been exported.

Staff Gossip

Howard G. Boughner of the Canadian Bank of Commerce, has left for Regina, where he has been transferred.—Sentinel, Kamloops.

* * *

R. W. Winfield, of the relieving staff Winnipeg office, Bank of Commerce, has been appointed manager of the Fort William branch.—Free Press, Winnipeg.

* * *

L. J. Redfern, teller of the local branch of the Bank of Toronto, has been transferred to Galt, and Frank W. Hannah, of London, succeeds him here.—Gazette, Dunnville.

* * *

Mr. Sewel, teller of the Bank of Montreal here for the past year, has been transferred to the Welland branch. His place is being filled by Mr. Hebert of Windsor.—Standard, Merlin.

* * *

George A. Armstrong, of the Bank of Toronto staff, Milton, has been transferred to the Newmarket branch. Recently, a number of business men and other friends of Mr. Armstrong's presented him with three fine French briar pipes in a case, a large tin of choice tobacco and a pair of military hair brushes.—Herald, Dundalk.

* * *

Warren L. Gray, manager of the North End branch of the Provincial Bank of Canada, has been transferred to Pembroke, Ont., where he will assume a similar position.—Times-Globe, St. John.

* * *

Harold Pullam, who has been in the Galt branch of the Dominion Bank for the past six months, has been transferred to Toronto where he will be assistant accountant at the main office.—Herald, Hespeler.

* * *

W. F. Law, formerly of Tillsonburg, who for some years has been manager of the Pickering branch of the Standard Bank, has been transferred to the more important branch of the bank at Markham.—Times-Journal, St. Thomas.

* * *

R. J. Forbes, who has been manager of the Central Butte branch of the Canadian Bank of Commerce since 1920, is being transferred to Creston, B.C., and expects to leave at the end of this month. His successor at Central Butte is A. M. Scrimbeoui, of Hafford,—Leader, Regina.

* * *

George E. Ewing, who was manager of the Bank of Commerce at Taber for some years, has been transferred from Fort William, where he has been manager since leaving Alberta, to Sherbrooke, where he will become inspector for the eastern townships of Quebec.—Herald, Lethbridge.

* * *

The Canadian Bank of Commerce announces the appointment of Douglas Clarkson as an assistant manager of the main branch in Toronto. Mr. Clarkson was formerly manager of the bank's Yonge and Queen Branch for the past six years, and has had a wide experience in Eastern and Western Canada. He entered the service of the Canadian Bank of Commerce at Montreal in 1900, and after being stationed at several branches in the Eastern provinces, including Cobalt and Halifax, was appointed manager at Claresholm, Alta., in 1912, and at Strathcona, Alta., in 1914. Two years later he was appointed assistant inspector at Winnipeg, and in 1920 came to Toronto, where for a time he was assistant inspector at the bank's head office.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities

	Mar. 18, 1926	Mar. 17, 1927
Halifax	$ 2,633,135	$ 2,758,157
St. John	2,532,289	2,226,238
Moncton	766,935	706,648
Quebec	4,714,935	5,263,452
Sherbrooke	703,708	904,245
Montreal	96,987,321	95,957,703
Ottawa	6,033,457	6,022,586
Kingston	577,866	650,385
Peterboro	743,548	732,418
Toronto	86,777,845	101,674,603
Hamilton	4,337,187	5,131,245
Brantford	899,143	1,031,269
Chatham	....	779,392
London	2,100,413	2,940,125
Sarnia	....	572,484
Kitchener	868,029	1,031,284
Windsor	3,475,015	4,545,552
Total, East.	$214,150,826	$231,575,910

Western Cities

	Mar. 18, 1926	Mar. 17, 1927
Fort William	$ 548,233	$ 864,892
Winnipeg	47,973,855	49,351,912
Brandon	451,299	447,902
Regina	3,260,916	3,822,722
Moose Jaw	875,535	1,151,817
Saskatoon	1,597,946	1,526,127
Prince Albert	361,820	363,650
Lethbridge	515,422	453,973
Calgary	10,131,426	10,552,314
Edmonton	4,648,500	4,351,866
Medicine Hat	267,665	253,574
New Westminster	759,533	699,631
Vancouver	15,672,602	15,868,973
Victoria	1,649,682	2,297,463
Total, West	$88,704,434	$92,006,816

Mtl. Tramways & Power "Requiescat in Pace"

From Our Own Correspondent.

MONTREAL.—A special general meeting of the shareholders of the Montreal Tramways and Power Company passed a resolution appointing a liquidator to wind up the affairs of the company. The Montreal Tramways and Power Company controlled the Montreal Tramways Company. Consolidated Securities has acquired the control of the tramways from the Montreal Tramways and Power Company.

The Montreal Tramways and Power Company was a child of the E. A. Robert interests, and, with its passing, all the companies in the United Securities' chain have their head offices in Canada. The Montreal Tramways and Power was a British company. It is thought that, as a result of this step, the United Securities will be able to proceed with new financing to cover the cost of money spent on its properties for other corporate purposes.

Banking House Change

MONTREAL.—The Credit Anglo-Francais has moved its head office from Quebec to Montreal. The founder and president of this investment house is Capt. J. P. Kempf; he is well-known in financial circles and was connected with the Bank of Montreal both before and after the war, and for some years was with the banking house of McLeod, Young, Weir and Company.

We Own and Offer:

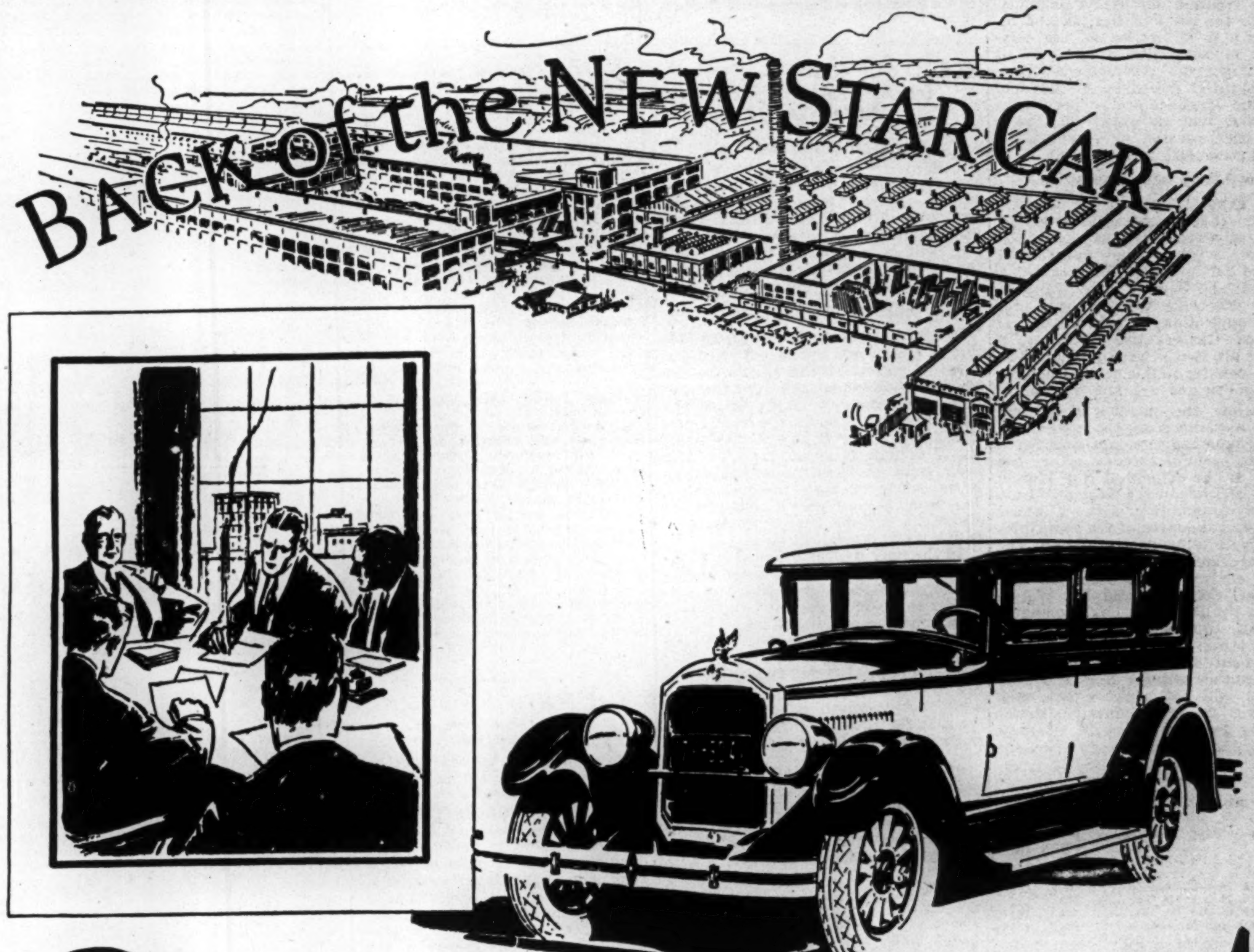
$25,500

COUNTY OF ONTARIO

5% Debentures maturing annually 1928-1947

Full particulars and Price on application.

STEWART, SCULLY CO.
LIMITED
Government, Municipal, Real Estate, Corporation Bonds.
Royal Bank Building - Toronto 2


BACK of the NEW STAR CAR

ORGANIZATION!

ORGANIZATION stands back of every New Star Car, first during the entire process of manufacture, second throughout its long and competent service to its owner.

Knowledge of Canadian requirements, the *Skill* to apply it and the *Equipment* to fashion it are so organized as to produce a quality automobile at the lowest possible price.

The flexibility of the powerful Red Seal Continental Motor, the resiliency of the semi-elliptic springs, the ease and accuracy of control, the efficiency of the cooling system, the accessibility of all adjustable parts and the individuality of the finished product—are a compliment to *Organization.*

Through service facilities that are nation-wide this *Organization* continues to function on a permanently established basis. The contentment that goes hand in hand with Star Car ownership is the result of its active presence.

Star Car owners always know they are driving the "Aristocrat" of the low-price field.

STRENGTH

DURANT MOTORS OF CANADA LIMITED
TORONTO CANADA

8-427

THE Standard Bank of Canada solicits not only your account, but also the opportunity of aiding you in the business and financial problems that go with it.

THE
STANDARD BANK
OF CANADA

A. F. WHITE, *President*
N. L. McLEOD, *General Manager*

NO CERTAINTY OF BONUS FOR STEEL INDUSTRY IN N.S.

Government May Decide to Shelve This Duncan Recommendation

LITTLE DEBATE LIKELY

Ottawa Expects Duncan Report Legislation of Government to be Passed Very Quickly

From Our Own Correspondent.

OTTAWA.—While press comment would make it appear that the government has conceded practically every recommendation made in the Duncan report, and while it is certain that the Maritimes have obtained considerably more than was expected, it is nevertheless a fact (as a comparison of the prime minister's speech with the text of the commission's report makes clear) that a number of important suggestions put forward have been held in abeyance, refused or shelved.

The three lower provinces are to receive increased subsidies for one year totalling $1,600,000; and a freight rate bill will be introduced making for substantial reductions. But in the case of the subsidy increases, these are to be given for one year only, and it is not certain that the conference of Dominion and provincial governments to be held later on in the year will agree to their being made permanent; while in the case of freight rate reductions, these are to be conceded "subject to certain modifications" which are not likely, however, seriously to alter the broad principle.

Matters of lesser importance, such as the creation of harbor commissions for the ports of Halifax and St. John, are to be settled as the commission advised. But in the case of more important recommendations—such as tariff increases on coal and steel and large capital expenditures on harbor and railways—they have either been refused or reserved for investigation and future action.

Not Likely to be Opposition

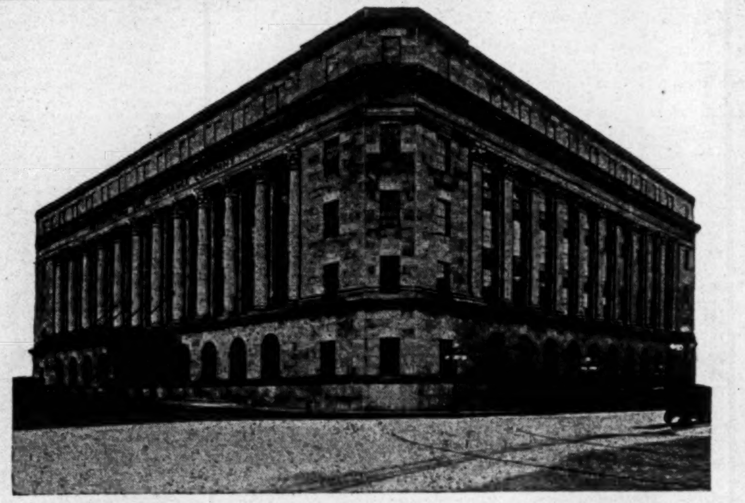
The general opinion in Ottawa, however—it is expressed privately by Conservatives as well as openly by Liberals—is that the government went as far as could be reasonably expected; and there is little likelihood that its proposals will meet with prolonged opposition in parliament. If Maritime Conservatives put up a fight at all, it will largely be a battle for the benefit of their constituencies—and politicians are but human.

Meantime, the question of governmental assistance to the coal, iron, and steel companies comprising Besco has been brought forcibly before the cabinet by the efforts of Roy Wolvin and the officials of the National Trust Company to obtain subsidies to assist in the reorganization of the companies formerly forming part of Besco. The National Trust has succeeded in obtaining control of the Dominion Iron and Steel Company, and Mr. Wolvin controls the Dominion Coal Company. Each, of course, is complementary to the other. While no official announcement has been made, it is stated authoritatively that the government will not assist either, and, according to well informed circles here, the two companies are likely to be reorganized on an independent basis.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo-Ft. Erie Bdge 7s '55	107½	108½
Do. 8s '45	106½	108
Buff Gen Elec 1st 5s '39	104	...
Do pref 5s '39	104	...
Bfo N & E Pow 5s .30	99¾	100¾
Lockport L H & P 5½ '54	103	...
Niag Lock & Ont 1st '55	100¾	101½
N. F. Est & con 6s 1950	104½	105¾
STOCKS		
Niagara Falls Pow pf	28¼	28¾
Niag Lock & Ont pf	113	114

Officially Opening This Week



New Canadian head office building of Metropolitan Life Assurance Company, opposite the Parliament Buildings of Canada at Ottawa. It opens officially this week.

An interior view of the new office building. This is the ordinary life insurance department.

BESCO SLATED TO DISAPPEAR IN THE REORGANIZATION

(Continued from page 1)

the British Empire Steel Corp., the holding company organized ten years ago to acquire the common stock of Dominion Steel Corp., Nova Scotia Steel and Coal, Halifax Shipyards, etc., will be eliminated entirely. All the assets of Besco itself are securities which are seriously impaired.

Book Value Substantial

In the scaling down of capitalization to an amount consistent with the earning power of the plants in the Maritimes, it is probable that the preferred and common stocks of all the companies, with the exception of Dominion Coal Co., will have to be wiped out, although in some instances the book value of these preferred stocks is much higher than the par value, vast sums having been invested in the plants at various times, particularly in the war period.

In the readjustment, also, it is probable that the holders of some of the junior bonds will be asked to surrender these and accept in lieu thereof some amounts of new preferred stock. But these details, of course, will take time to work out, for the reason that the bond issues in some instances overlap in some degree, and it is not possible at a glance to determine exactly what is the equity behind some of the secondary securities.

Serious Capital Impairment

Just how far the capital of Besco has been impaired is indicated by the following remarks of F. R. MacKelcaw, witness for the National Trust Co., in the court at Halifax, March 21st:

> The par value of the issued capital of the British Empire Steel Corporation amounts to $89,832,100—that is practically ninety million dollars. The market value of that capital, based on transactions recently in the stock exchange—I am taking the market value for first preferred and second preferred—and I was going to deal with the common at $1. I understand there have been recent sales of the common at 75c., and it has been quoted on the exchange at 1¼ and 1⅛. Taking the value of the issued capital on that basis, it amounts to something over $2,700,000, or approximately three million dollars. That is to say, in the judgment of the stock market, which is perhaps the soundest test one can get of the value of the assets of a company in an ordinary case, the capital has been impaired to approximately 97 per cent. I don't suggest the opinion of the stock market in a case of this kind, where the outcome is uncertain, is final. I don't suggest Your Lordship is faced with an actual impairment of 97 per cent., but I suggest there is very heavy impairment of capital, and that impairment of capital is established by proceedings before Your Lordship in the present case.
>
> As I was saying, in the present proceedings, Your Lordship has before you the bondholders, whose total claims and total capital amount to less than $18,000,000. Behind them come $3,500,000 of interim bonds, $5,000,000 of preference shares, and $37,000,000 of common. Your Lordship knows this receivership must be terminated by a sale of securities under bond mortgages, and the only question is whether the bondholders themselves can be induced to buy in the properties with their bonds, in other words to leave their money in the business or whether they will say: "We have had enough; we will take what we can get."

THE NATION'S BUSINESS

(Continued from page 1)

be removed from the arena of federal politics where it does not belong.

* * *

CANADIAN opinion in England, as The Financial Post has gathered it from citizens of this country resident there for business or other reasons, is that the Department of Immigration has made a serious mistake in antagonizing the Salvation Army. The Army was doing excellent work in promoting the immigration of Britishers, particularly of boys, to Canada until its annual grant from the Dominion government was recently cut off. Subsequently an adjustment was made, but as we understand the way matters stand, the Salvation Army will not after next year receive any grant for bringing boys to Canada.

It cost the Army about $150 to outfit and transport a boy to Canada. The government grant, amounting to $80 per boy, represented only about half the total out of pocket expense. The Salvation Army asked the boys, after they were settled in Canada to repay the cost of their outfit and training and it was because of this that the grant was cut off. But the money so repaid was used to bring more boys, often brothers of the same family. None of it was available for the Army funds; only for immigration work.

It would appear that Ottawa has merely succeeded in diverting to Australia an emigration flow from which we have in the past drawn thousands of immigrants yearly.

Mr. Forke is speaking on immigration in Montreal next week and it is to be hoped that he will have at least an outline of vigorous immigration policy to offer.

* * *

D. C. LAMB, commissioner of the Salvation Army, at its emigration and colonization offices in London, Eng., has offered to Mr. Forke a new basis for assisting the Army to bring immigrants to Canada. Mr. Lamb suggests:

> "The army, under a five-year agreement with the Dominion government, to settle at least 10,000 selected immigrants in Canada, including 4,000 women and 2,000 youths.
>
> "The army to guarantee that 90 per cent. of the women stay a year in household service, and the same percentage of youths two years on farms.
>
> "The army to select its migrants, subject, of course, before sailing to the final approval of the Dominion's director of emigration, in England.
>
> "The government to grant reduced fares for migrants coming to household and agricultural work, and to pay the army an agreed sum yearly towards the cost of recruitment and after-care.
>
> "The army to arrange for the repayment by migrants of money spent upon them, up to an amount, and by methods, to be agreed upon, in joint conference with our ministers of immigration and finance.
>
> "The army to repatriate any of its migrants who, in spite of all precautions, prove unsuitable, and to repay 90 per cent. of the government advances for such people.
>
> "There, at any rate, is a scheme which provides a genuine basis for discussion. Let the minister of immigration proclaim a truce, tell his men to stop attacking the army and reserve their ammunition, if they have any, till they come before the investigating commission, when they will badly need it. Then let the two sides get together and see what sort of arrangement they can work out for the country's good."

FOREIGN EXCHANGES

Canadian Funds Again Reach Parity

Conducted by S. J. ZACKS.

For the first time since December 4, 1926, Canadian funds strengthened to parity. The demand for Canadian funds was brought about when bills for lumber and grain purchases were covered. The opening of navigation will doubtless have a firming effect upon Canadian funds for some time to come.

Interest in Spanish pesetas during the week was very great. Speculative activity in pesetas has been tremendous for some time. Tip upon tip went its rounds in the past few months predicting a forward movement in pesetas. On Wednesday pesetas touched 17.82 cents, the highest point since 1920. Par for this exchange is 19.20. Traders find it difficult to interpret the speedy ascent of pesetas, since this exchange on previous occasions had been tipped off for higher prices which did not materialize. Premier de Rivera's position is apparently strong and the Moroccan situation is no longer a cause for heavy governmental expenditures and pressure on the exchange. The huge floating debt, too, has been consolidated. Gold shipments have been made recently from London to Madrid and further strength in pesetas is predicted.

Sterling reached a new high for the year at $4.85 21-32, as did lire at 4.61 cents.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Mar. 17	11-64	1-8	3-8	23-64
Mar. 18	7-64	3-64	25-64	3-8
Mar. 19	3-64	3-64	3-8	11-32
Mar. 21	3-64	1-32	11-32	5-16
Mar. 22	1-32	1-64	21-64	5-16
Mar. 23	1-64	x1-64	11-32	5-16

xDiscount.

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Mar. 17	4.85⅛	3.91¼	4.59¼
Mar. 18	4.85 3/16	3.91½	4.60
Mar. 19	4.85¼	3.91½	4.53¾
Mar. 21	4.85 3/16	3.91*	4.51
Mar. 22	4.85¼	3.91¼	4.59
Mar. 23	4.85¼	3.91½	4.56

FOREIGN EXCHANGE

Par		Mar. 16	Mar. 23
19.30	Italian	4.58	4.57
32.45	Brazilian	11.87	12.10
23.82	German	23.76	23.72
19.30	Belgium	2.79	2.78
84.85	Japan	49.25	49.00⅛

TRAIL SMELTER RECEIPTS

The Consolidated Mining and Smelting Company of Canada makes the following statement of ore receipts at Trail Smelter from 8th March to 14th March, 1927, inclusive, and from 1st January, 1927, to date, in tons:—

	Week.	Year.
Company's mines	8,212	95,660
Other mines	3,456	35,406
Total	11,668	131,066

TOWNSHIP OF BARTON

Debentures For Sale

Sealed tenders marked "Tenders for Debentures" and addressed to the Reeve of the Township of Barton, Court House, Hamilton, will be received up to 2 o'clock p.m. on Monday the 4th day of April, 1927, for the purchase of $6,194 ten year 5½ per cent. straight term bonds, for the purpose of paying for the cost of roads constructed under the Local Improvement Act in 1926.

The interest is payable half-yearly and the principal at the end of the term.

The highest or any other tender not necessarily accepted.

SIDNEY G. SIMS,
Clerk of the Township of Barton.

WANTED

Broker handle treasury issue fully developed high grade British Columbia free-milling gold company. Good contract responsible party. For particulars apply Post-Office Drawer 339, Vancouver, B.C.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

Canada Northern Power Corporation, Limited

Preferred Dividend No. 9.

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending March 31st, 1927, payable April 15th, 1927, to shareholders of record at the close of business March 31st, 1927.

By order of the Board,
L. C. HASKELL, *Secretary.*
February 25th, 1927.

WESTERN GROCERS LIMITED

Notice of Dividend

A dividend of one and three-quarters per cent. (1¾%) on the New Preference Stock of Western Grocers Limited has been declared for the quarter ending March 31st, 1927, payable April 15th, 1927, to shareholders of record March 31st, 1927.

By order of the Board.

W. P. RILEY,
President.
Winnipeg, March 18th, 1927.

Hanson Bros. Head Syndicate to Handle Guelph Carpet Issue

The new financing of the Guelph Carpet and Worsted Spinning Mills, Limited, has been underwritten by a syndicate of Montreal and Toronto investment houses, headed by Hanson Bros. It is probable that the bonds will bear a 6 per cent. coupon rate, and be offered at a discount from par.

The business of the company is noteworthy in that, during the past depression in the Canadian woollen trade, it has been able to maintain large earnings due to careful management and the excellence of its product.

The company's balance sheet, when published, will disclose a strong liquid position and that past profits will have been shown to be satisfactory.

Will Double Shift Besco's Biggest Mine

From Our Own Correspondent

SYDNEY.—That Cape Breton coal fields are in for another prosperous season is indicated by active preparation for the complete double shifting of No. 1B, the company's biggest producer and most modern mine at O'Neil's Point, near Dominion.

This pit has been double shifted before, but never for lengthy periods. The present intention is to work two shifts throughout the season which will increase its output by at least 1,200 tons a day to a total of between 3,000 and 3,500 tons.

Reserve Mines, 5 and 10, have been closed temporarily for repairs to the machinery in anticipation of a strenuous summer's work.

Princess colliery at Sydney Mines, has opened to bank 30,000 tons of coal after being idle since February.

Pure Quebec Maple Syrup and Sugar

(Direct from sugary to Consumers)
Pure Maple Syrup—1 gallon.
Imperial tins ....$2.50 per gal.
Pure Maple Sugar ....20c. per lb.
Terms—C.O.D. or 3% pre payment.
Leger L. Hardy, St. Basile, P.Q.

Private Secretary

Excellently qualified business woman, capable of exceptional usefulness, desires position as private secretary to an able business executive or professional man. Position in Montreal preferred. Write Box 87, The Financial Post, Southam Bldg., Montreal.

ABITIBI POWER & PAPER COMPANY LIMITED

Dividend Notice

Notice is hereby given that a quarterly dividend of 1¾% has been declared on the Preferred Stock of the Abitibi Power & Paper Company, Limited, payable the 1st day of April, 1927, to shareholders of record at the close of business the 19th day of March, 1927.

By Order of the Board,
W. H. SMITH,
Secretary-Treasurer.

Vipond Consolidated Mines, Limited

(No Personal Liability.)

Notice is hereby given that an interim dividend of Three Per Cent. (3%) has been declared payable on April 15th, 1927, to shareholders of record at the close of business, March 31st, 1927. The transfer books of the Company will be closed from April 1st to April 15th, both dates inclusive.

By order of the Board.

R. S. DENING,
Secretary.
Toronto, March 18, 1927.

THE BELL TELEPHONE Company of Canada

Notice of Dividend

A Dividend of two per cent. (2%) has been declared payable on the 15th April, 1927, to shareholders of record at the close of business on the 23rd March, 1927.

W. H. BLACK,
Secretary-Treasurer.
Montreal, 23rd February, 1927.

Canada Cement Company Limited

Ordinary Shareholders

DIVIDEND NO. 44

Notice is hereby given that a dividend of 1½% for the three months ending March 31st, 1927, being at the rate of 6% per annum on the paid up Ordinary Stock of this Company has been declared and that the same will be paid on the 16th day of April next to Ordinary Shareholders of record at the close of business March 31st, 1927.

H. L. DOBLE,
Secretary.
Montreal, March 15th, 1927.

The Steel Company of Canada, Limited

PREFERENCE DIVIDEND NO. 63.

Notice is hereby given that a dividend of one and three-quarters per cent. on the issued and fully paid Preference shares of the Company has been declared for the quarter ending Mar. 31st, 1927.

ORDINARY DIVIDEND No. 41

Notice is also given that a dividend of one and three-quarters per cent. on the issued and fully paid Ordinary shares of the Company has been declared for the quarter ending Mar. 31st, 1927.

The above dividends are payable May 2nd, 1927, to shareholders of record at close of business April 7th, 1927.

By order of the Board,
H. S. Alexander,
Secretary.
Hamilton, Ontario,
March 16th, 1927.

LAURENTIDE COMPANY LIMITED

Dividend Notice

A Dividend of one and one-half per cent. (1½%) has this day been declared upon the Capital Stock of this Company for the quarter ending March 31st, 1927, payable April 2nd, 1927, to Shareholders of record at the close of business March 17th, 1927.

By Order of the Board of Directors,
W. F. ROBINSON,
Secretary.
Montreal, Que., March 10th, 1927.

The Dominion Bank

Notice is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1927, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Friday, the 1st day of April, 1927, to shareholders of record of the 19th March, 1927.

By order of the Board.

C. A. BOGERT,
General Manager.
24th February, 1927.

SALE OF TIMBER

TENDERS WILL BE RECEIVED by the undersigned up to and including Friday, April 15th, 1927, for the right to cut the Pine Timber on Townships 4-C, 3-D, 4-D and 5-D in the Mississaga Forest Reserve, District of Algoma.

FURTHER PARTICULARS may be obtained upon application to the undersigned, or to Mr. A. H. Huckson, Crown Timber Agent, Sault Ste. Marie, Ontario.

WILLIAM FINLAYSON,
Minister of Lands and Forests.

N.B.—No unauthorized publication of this Notice will be paid for.

Toronto—Feb. 7th, 1927.

MONTREAL TRAMWAYS COMPANY

ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of the shareholders of the Montreal Tramways Company will be held at the Company's offices, Tramways Building, 78 Craig Street West, Montreal, at 12 o'clock noon, on Tuesday the 29th day of March, 1927, for the reception of the Report for the fiscal year ended December 31st, 1926, election of directors, and the transaction of such other business as may legally come before said meeting.

The transfer books will be closed from the 9th to the 28th day of March, both days inclusive.

By Order of the Board.

PATRICK DUBEE,
Secretary-Treasurer.
February 23rd, 1927.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a Dividend of Two and one-half per cent., being at the rate of Ten per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st April, 1927,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,
WALTER GILLESPIE,
Manager.

Provincial Paper Mills Limited

Notice is hereby given that Dividends have been declared by PROVINCIAL PAPER MILLS LIMITED, as follows:

Regular Quarterly Dividend 1¾% on Preferred Stock;
Regular Quarterly Dividend 1½% on Common Stock.

All payable April 1st, 1927, to shareholders of record as at close of business March 15th, 1927.

(Signed) W. S. BARBER,
Secretary.

Woods Manufacturing Company, Limited

PREFERRED STOCK DIVIDEND NOTICE

The regular quarterly Dividend of One and Three-Quarters (1¾%) per cent. on the PREFERRED STOCK of WOODS MANUFACTURING COMPANY, LIMITED, for the quarter ending March 31st, 1927, has been declared payable April 1st, 1927, to Shareholders of record March 21st, 1927.

By Order of the Board.

JOHN T. F. KEENE,
Secretary-Treasurer.
Montreal, February 11th, 1927.

Dominion Textile

Company Limited

NOTICE OF DIVIDEND

A Dividend of One Dollar and Twenty-Five Cents ($1.25) per share on the Common Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending March 31st, 1927, payable 1st April, to shareholders of record March 15th.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, January 24th, 1927.

Dominion Textile

Company Limited

NOTICE OF DIVIDEND

A Dividend of One and Three-quarters per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending March 31st, 1927, payable 15th April, to shareholders of record 31st March.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, January 24th, 1927.

POSITION WANTED

Young lady stenographer with six years' Banking experience desires position in Brokers' office or Bond House. Excellent references.

Box 14, Financial Post,
153 University Ave.,
Toronto, Ont.

AMOS COPPER GOLD MINES LIMITED

We strongly recommend the purchase of these shares at the present time.

ANGLO CANADIAN FINANCE COMPANY

Suite 1706, Royal Bank Building, Toronto. Phone Main 0759.
Suite 925, 190 St. James St., Montreal, Que.

ANGLO CANADIAN FINANCE COMPANY

ANNOUNCEMENT

Owing to our greatly increased clientele in Toronto and vicinity we have opened an office in the

ROYAL BANK BUILDING
SUITE 1706 TORONTO
PHONE MAIN 0759

HEAD OFFICE:
SUITE 525, 190 ST. JAMES ST., MONTREAL

Featuring Kirkland Lake

Canadian Mining News

THE FINANCIAL POST

Vol. XXI. 10c. a Copy; $5.00 a Year PUBLICATION OFFICE: TORONTO, MARCH 25, 1927 Member of Audit Bureau of Circulations No. 12

Aggressive Hunt for New Mines Going on in Kirkland Lake Area

Companies Are Seeking East and West Extension of Main Break of Carys — Possibilities Are Considered Excellent

DRIVE BIGGEST IN HISTORY

Only Two Concerns — One on Each Side of Producers Have Carried on Steadily — Others Now Take up Hunt

Which section will come through first with a new mine, the east or west extension of the producing zone of Kirkland Lake?

Kirkland Lake Gold is the farthest west producer and Tough Oakes Burnside is the farthest east. Lying between are, from west to east, Teck Hughes, Lake Shore, Wright Hargreaves, Sylvanite and Tough Oakes. Adjoining Wright Hargreaves on the south is the important townsite exploration and adjoining this Kirkland Hudson Bay.

The camp is eagerly watching the developments on both ends of the break. Until the past year or so the new exploratory efforts have been few. Hunton has been trying to find something on the west and Kirk Gold held out alone in the Lebel Tp. in the east. Now the number of operations has increased manyfold and there may be a number of others start up.

Adjoining Kirkland Lake Gold on the west is Macassa, which is carrying out a well handled exploratory effort. Good engineering brains are employed, and the company's finances are in a good position.

Just to the south of Chaput Hughes, which in turn adjoins Kirkland Lake Gold on the south, is Grozelle, a property that has been highly regarded as having good prospects. J. W. Morrison has been placed in charge and the leading shareholders have provided enough funds to launch operations on the property. Camps have just been erected.

Hunton Still Trying

Adjoining this property on the east is Hunton, which has been trying steadily to find a mine. Its success has not been phenomenal, but they are still trying.

There are several other properties in this section on which considerable work has been done. Canadian Kirkland is opened to 450-ft. and there is some talk of putting through a reorganization and starting work. Servais Gold Mines, in south Teck, has a likely looking prospect on which considerable surface work has been done. It is understood that Buffalo interests are putting up the funds to carry on a diamond drill campaign on this group. Teck Kirkland is after funds and there is talk of Gateway resuming.

There is some gossip about opening the Goodfish section, which is in the western part of the camp and north of the producing section. It is on what is talked of as the north break and Hunton is said to be on the south break.

Expect Big Things

To the east Kirk Gold, now the Conroyal which takes in the Kirk Gold property and the Oswego, has been the most consistent operation in that section. Despite numerous trials and tribulations, the heads of the company have kept the drills going, and to-day they have met with a measure of success that is sufficient to lead many in Kirkland Lake to predict that it is an assured mine. Everyone in the camp has a good word for the consistency and persistency which has marked this venture. Hugh Jardine is manager.

Queen Lebel, just at the east end of Gull Lake has made an important effort to find a mine and met with considerable success. In fact the success has been considered so encouraging that the company recently acquired additional ground. It is understood that some big mining interests have been looking the ground over.

Gull Kirkland, whose property includes a part of Gull Lake and which is north of Queen Lebel, is carrying on an important operation at the moment. It is diamond drilling under the Lake in an effort to pick up the eastern extension of the main break of the camp. This is a pioneer effort in the lake, and one that is being watched with much interest. Time and again the writer has heard engineers say that they would like to see the lake drilled. The wonder is that some exploratory effort has not been concentrated on it before and carried on to some conclusion, as the west part of the lake was among the first claims staked in the camp and lies just to the west of the Tough Oakes property, the original discovery in the camp.

Other East Operations

There are some other important operations going on in the eastern section now, however. Lebel Lode has been doing diamond drilling. This operation has been held up for lack of funds. A short time ago, however, a connection was made in Scotland, and it is understood that the funds for the diamond drilling campaign are being secured there.

Another important operation is that on the Pawnee. This group is said to have some excellent surface showings and the work done to date has been decidedly encouraging. It is in excellent hands. Much the same people, the management is the same, have the Northland, farther to the east. Without any blare of trumpets this company has been driving ahead, and are confident of success. In the same section is the Walsh Katrine, which carried on well for a time, but has not met a great deal of progress of late because of financing difficulties.

The present summer is expected to be an active one in this section. The Ossian will be under way while to the north it is expected that there will be a great deal of effort put forth to open up some of the encouraging copper showings that have been reported. One hears little of Associated Gold Fields these days. Crown Reserve is not doing anything, so that the Larder Lake section rests in the hands of Argonaut, which is some distance to the north and the outlook for which is presented elsewhere.

POWER AND RAIL SERVICE ASSURED KAMISKOTIA AREA

T. & N.O. Surveyors Work West of Timmins — Hollinger Makes Second Payment

Developments are coming fast in the Kamiskotia copper area to the west of Timmins.

T. & N. O. surveyors are now working in the district surveying a line that would be an extension of the Timmins branch.

It is understood that the power company has made plans for the extension of the power line into the camp. It is understood that the plant which Hollinger is taking into the properties, it is exploring, is an electrically driven one, which would indicate that the decision to build a power line has already been made. The power supply would come from Sandy Falls.

A letter from an engineer in the field states that it is reported among the prospectors that Hollinger has met its second payment on the Jamieson and other properties which it took up. He says that Hollinger is taking rather heavy equipment into the camp and it is also sending a diamond drill to the Harry Darling group which was recently optioned.

Others Option Groups

Noranda interests are in the field and have taken an option on a group of 45 claims in Robb Tp. Ankerite Mining Co. and Furness Gold Mines have also taken up groups in the area.

An important new discovery has been made in Geikie Tp. which extends the known mineralized area somewhat.

Kamiskotia Syndicate is the first public proposition to enter the field. It is capitalized at 25,000 units and is offering 5,000 to the public. It has already taken up 360 acres adjoining one of the important Jamieson groups. It is understood that the syndicate will be a permanent exploratory organization, later to be incorporated into a company, and will act as a holding company to develop properties mostly in this area. The syndicate will have the services of Harry Owens, M.E., who will have charge of the field work. He is a pioneer of Porcupine camp, and is said to be thoroughly familiar with the area. Rather good looking ore which gives commercial assays in gold and copper has been sent to Toronto from the syndicate's holdings.

NORTHLAND DRIVES TO 1,000-FT. LEVEL

New Electric Hoist Ordered to Allow More Air For Mine

Northland Gold Mines, Gauthier Tp., East Kirkland area, has ordered a new electrically-driven hoist. At present the hoisting apparatus is run by air. The property is equipped with an electrical plant and changing over of the hoisting apparatus to direct electric drive will give more air for underground operations. The new hoisting apparatus has a capacity of 1,500 feet, compared with the present 1,000-ft. equipment, and is Ingersoll-Rand make. The shaft at the Northland is below 800 feet on its way to 1,000. Three new levels are to be opened up between the 500 and 1,000.

MINES WILL SAVE MATERIAL SUM BY NEW POWER RATES

Contract Submitted Contains Some Welcome Changes

ASSURE AMPLE POWER

Delays and Breaks of Past Will be Missing — This Means Much

While the mines of Kirkland Lake did not get all they went after in their negotiations with the power company for better power conditions and a better power rate, they achieved a notable success in their negotiations, and when the new contracts are operative, will have much better conditions and at a considerable saving in power bills.

The new agreement was being considered by some of the mines when the writer was at the camp and some of the companies had already signed it. All undoubtedly will.

From the shareholders' immediate point of view, it can be seen that the deal means much. Wright-Hargreaves will save $20,000 in cash; Lake Shore $30,000 yearly, and Tough Oakes Burnside about $800 monthly. The others will save in proportion.

Other Important Savings

But there are other technical adjustments that will mean substantial things for the shareholders also. For instance, the camp is going to be assured of a much better supply of power. This is a tremendous item. In the past, breaks and delays have seriously interfered with operations and reduced the efficiency of the mining operations. The result has been that the real cost of the power has been more than the actual outlay. The Kirkland Lake power line will be hooked up with the Des Quinze power line on the Ontario-Quebec boundary and later will connect up with the line to Porcupine. It is the intention of the power company to install a cycle changer so that there will be the two powers available. This will mean that the Kirkland Lake camp will not have to change its equipment or add new equipment and at the same time the two classes of power will be made available for other sections as well.

Another change will be that the mines will escape what is called a "stand-by" charge. In the past, if a company had a small motor, working perhaps a couple of hours a day, it had to pay whether it used the power or not. The new deal makes it possible to have as many motors as desired and the charge will be on the power used.

The reduction in the cost will amount to about 10 or 12 per cent. The mining companies think the rates are still high as they point out that the rates are much above industrial sections and yet the mines provide the ideal load, taking the same amount of power practically 24 hours in the day. In industrial sections, the heavy load runs 8 or 10 hours and then the companies must look for customers who will take it the other 14 or 16 hours.

Drilling Contract For Thormoon Co. Placed

Col. R. P. Rogers has been awarded the diamond drilling contract on Thormoor property in Boischatel Tp., Quebec, which adjoins Ribago on the west. This property is being explored under the supervision of American Smelting, Boston, and some attractive surface discoveries opened up.

Rich Surface Ore Does Not Mean a Mine

Rich surface showings do not make a mine.

Hunton and Tough Oakes, two Kirkland Lake operations are an evidence of this.

Tough Oakes is producing and seems to give promise of success at deeper levels.

Hunton has carried out a tremendous amount of work underground, and is now diamon drilling. It is not a mine.

Hunton had the richest surface showings of any property in Kirkland Lake. In the early days of the camp, ore taken from the surface showings on Hunton was a matter of wonder around Haileybury. Everyone had a bit in his pocket.

Tough Oakes great showing on No. 2, vein, was broken into just below the surface. It proved a pocket of very rich ore that was taken out, hauled across the lake in canoes and shipped to United States. Wright Hargreaves gave up a rich pocket close to surface that was somewhat similar. Lake Shore and Teck Hughes had only fair values on surface.

On the other hand look at what Dome's glory hole led to.

Lake Shore's New Ore Faces May Mine Total of Over 32 Millions

Possibilities of Three Big Producers Are in a Measure Indicated — Also Points to Rewards New Operators Might Reasonably Expect

Lake Shore, Teck Hughes, Wright-Hargreaves, are each opening up a number of new ore faces. That is they are opening new levels, and with two ore bodies on each level, they have two ore faces east and two ore faces west on each level to drive in on (drift) and later to drive up into (stope is the technical term) to the level above.

Teck Hughes ore shoots are around 800 feet long. Lake Shore about 2,300 feet and Wright-Hargreaves are opened to 2,375 with much greater length possible.

One can get an idea of what these new levels may mean by taking Lake Shore as an example.

Lake Shore will soon have 17 new ore faces to work on. Levels are 200 feet apart. Average length of the ore shoots on each level 1,150 feet. Taking an average width of six feet for the ore bodies—this is conservative—and taking the average value per ton at $18, and allowing 13 cubic feet per ton, the estimate would work out:

Length of shoot, 1,150 feet, width 6 feet, depth 200 feet=1,380,000 cubic feet for each ore shoot.

Allowing 13 cubic feet per ton gives 106,154 tons of ore, average value $18 or $1,910,772 per ore face.

There are to be 17 new faces of ore which would work out a total value of $32,483,124. The deepest of these faces will be 1,600 feet.

Predict 6,000 ft. Depth for Rich Ore Shoots of Kirkland Lake Camp

Suggested That Lake Shore Will Mine Hundred Million to 2,000-ft. and Teck Similar Amount to 3,000-ft.

Teck Hughes $100,000,000 production down to 3,000-ft.

Lake Shore $100,000,000 production down to 2,000-ft.

The above prediction in regard to Northern Ontario's two richest gold mines, situated side by side in Kirkland Lake, was made to The Financial Post in Kirkland Lake recently by an old engineer who has been long and intimately associated with the camp.

Who can say that such a prediction will not come true?

Facts available in regard to the huge tonnages being opened on the different levels and the high values that are being secured, would indicate that such a production from each property is well within the realm of possibility.

In adjoining columns will be found stories on each mine. It will be seen from the facts given there, that each operation is in a wonderful shape. Lake Shore seems satisfied with its present production level, handling 750 tons daily. There are signs around the property, however, that a jump in this figure may be decided any time. Teck Hughes is not yet ready. Only one half unit of the new mill is going, and the balance will hardly be started until July or August.

Wright Hargreaves Is Expanding Development

The writer would like to have been able to include Wright Hargreaves in this picture, but it is difficult at the moment to do so. Wright Hargreaves got into a new grade of ore when it reached the 800-ft. level. While the values are high, this operation has not yet got into the real high grade that Lake Shore and Teck Hughes have opened up. Wright Hargreaves has a much bigger property. It is not opened out as extensively as the other two mines. In fact the exploration on Wright Hargreaves has been concentrated for the most part around the two shafts. However, the management is ready with plans for extending the workings when the new compressor and hoist are ready, and it may be that this will encounter at deeper levels, the eastern extension of the rich ore that Teck Hughes and Lake Shore have got.

Three Wonderful Operations

In these three mines, Kirkland Lake has three wonderful operations. The extent to which they are opened will be seen from the individual stories on each. Yet, to-day, it is impossible for anyone to forecast their possibilities, or if you will, their limitations. Engineers closely associated with the camp express the opinion that the rich shoots of the camp will go down to at least 6,000-ft.

If this is the case, one can surmise what it means for Lake Shore, for instance, on the basis of the above prediction in regard production to 2,000 ft.

One hears it frequently said that the Kirkland Lake stocks are selling too high. On the present basis of operation, yes. On discounting the future, who knows?

NIPISSING TAKES UP B.C. PROPERTY

Old Apex Near Hedley, Has Been Optioned Many Times

Nipissing Mines, Cobalt, has entered the British Columbia mining field, having optioned the Apex property near Hedley. It will be examined in the spring.

Not much has been done of late years with the property. Twenty years ago it was in the limelight. It has been optioned a number of times and seems to have been fruitful in bringing the owners substantial initial payments. It is said that the showings of silver-lead ore are quite attractive and the various groups that worked them spent a considerable amount in opening these showings up.

Western Canada Mining News says it will be a fine thing for B. C. if Nipissing should become active there.

Want to Know Value of Engineer Mine Stock

Engineers Gold Mines, Ltd., Atlin, B.C., which has had a particularly stormy career in the last two or three years, appeared in the financial news again when a temporary writ of mandamus was issued in the Superior Court in Wilmington Del., ordering the books of the company to be produced on March 18. I. H. Isaacs and Frances Klausner applied to the court for the examination in order to ascertain the value of the stock which they hold.

ORGANIZE DUBEC MINES.

New incorporations in Quebec include a mining concern of $2,000,000 capital, the Dubec Mining Company, Limited, with head office in Montreal.

STAND. EXCHANGE BOARD MUST PROBE TO BOTTOM NOW

Move Against High Priced Stocks Evidently Expected Disclosures

WASH DIRTY LINEN

Public so Far Has Been Only Real Sufferer — Finance System Bad

By D. E. CUSHING,
Mining Editor, The Financial Post.

Pronounced weakness in the general list with severe breaks in South Keora and Vickers shares and a material decline in Bourlamaque Syndicate shares, featured mine share trading during the week.

A series of rather sensational events having to do with trading in the above three named stocks, striking a generally weak market, proved a hard blow to the majority of the low priced stocks. Public confidence in the whole list has been shaken, but more by rumors than absolute disclosures.

Where matters will lead to, no one can tell. Standard Stock and Mining Exchange started the matter and must now go through with it to the end, no matter what the cost. It is possible that before all is straightened out, considerably dirty linen may be washed in public.

If the exchange goes through with the investigation and publishes all the facts, mining will benefit. To-date the only ones who have suffered are the public holders of the stocks in question, and some of the brokers have had their profitable markets interrupted.

It is generally believed that when the Standard Exchange launched its move against the three stocks in question, they expected that somewhat sensational disclosures would result. Notices sent out asked that the companies give reasons why their shares should not be taken off the active trading list. No charges were made, or hinted at, as far as can be learned.

Want Meetings Held

The announcement which followed the hearing of the cases, as officially issued by President Fred Crawford, was to the effect that Vickers and South Keora had not held annual meetings in some time, but had agreed to do so. Nothing was said of Bourlamaque.

Holding annual meetings is a matter covered by the Ontario Companies Act, and is an optional regulation. As it is unlikely that the exchange would go to such an extreme to enforce provisions of the provincial law, it is reasoned that other exposures were expected.

Since the first meeting was held, others have followed and the more recent resulted in the three stocks in question being transferred, for a time at least, to the unlisted section.

Meanwhile, it is understood a general meeting of the exchange has been called. Whether or not charges will be leveled at member brokers and suspension or expulsion proceedings launched, remains to be seen.

Brokers declare that there was a leak in the news of what the exchange directors proposed to do, with the

(Continued on page 23)

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Wright-Hargreaves Plan to Spread Out Workings on Mines Various Levels

So Far Development Confined to Narrow Wedge-like Zone Near Shafts

ENLARGING MILL

Will Add Over 200 Tons Daily — New Equipment Means Larger Operation

Wright-Hargreaves will increase its mill by about 250 tons, which will place in on about the same tonnage basis as Lake Shore now is. A new 2,500 compressor, being installed, is also a counterpart of the one at Lake Shore.

Wright-Hargreaves mine has not been opened out as extensively as some of the other mines have been laterally. This will be undertaken, however, when the new compressor arrives.

Up to the present the development has been in a wedge-like area, on the two ore bodies around the two shafts. The work on one of the shafts is down to the 1,500-ft. level and the plan is to connect the other shaft up with that level by a crosscut and raise.

Jump Mill 250 Tons

The expansion plans call for what is practically a duplication of the company's present full plant. The idea is to increase the mill from 200 to 250 tons per day. They will instal the new compressor within a week or two. This is a 2,500-foot compressor and will double the air capacity, which will give greater opportunities to develop underground.

A new 3,500-ft. Canadian Ingersoll-Rand hoist is on order, a duplicate of that now used by the Lake Shore. They should have deliveries of this hoist the early part of June.

The company have placed contracts for additional mill equipment and are already excavating for the mill addition. They have put in an order for a duplicate set of rolls for the crusher plant and contemplate ordering another primary jaw crusher.

Ore pockets and skips for the main shaft will be in operation this month, and on a whole the program of expansion is taking form rapidly. There are two diamond drills working on the property, which have done remarkably good work in showing new values. Underground development at depth has been extremely encouraging.

Learning About it

Like Lake Shore and Teck Hughes, Wright-Hargreaves people are just learning something about the wonderful mine they have. A couple of years ago, they found that below the 800-ft. level the ore was much richer. While it has not yet been encountered, it is believed that, like the other two mines, there is still richer ore to be encountered. This should soon be learned, as more machines are being put to work underground and the spreading out operation, along the ore shoots and away from the shafts, will proceed apace. The work that has been going on of late has given the mine the following new faces.

Connect Shafts at Depth

The south shaft is now at 1,400 feet and it is proposed to drift over on the 1,500-ft. level from the north shaft and cut under the south shaft and then raise upward. Thus almost immediately there will be a number of additional faces made available for work. There is well over 1,000 feet of known ore to the east and over 1,375 feet to the west and still great possibilities and the company has never driven up to the line on any of the levels.

It is to be noted that the new hoist, which will be capable of going to 3,000 feet, will handle three-ton skips at the rate of 800 feet per minute.

	No. 1 Ore body	No. 2 Ore body
1100 level	2 faces E.W.	....
1250 level	2 faces E.W.	2 faces E.W.
1375 level	2 faces E.W.	2 faces E.W.
1500 level	....	2 faces E.W.

Hoist Going to Discard, Hoisted Near 750,000 Tons

Wright-Hargreaves is replacing its hoist with a new Ingersoll-Rand that will hoist 3 tons at the rate of 800 feet per minute and carry down to 3,000 feet. Manager James Grant hopes that the new one will be as efficient as the Ingersoll Rand that he is ousting. The mine was opened to 400 feet but the mill was not built when the present hoist was installed. It has hoisted 567,322 tons of ore, besides all the waste rock or about 750,000 tons in all up to June 1st last, and never gave any trouble. The skips have been one ton, but they are trying two ton cars now while waiting for the new hoist.

Deep Drilling in Rouyn

Diamond drilling on Osisko Lake group, adjoining town of Rouyn, has reached a depth of 1,100 ft. Geological conditions so far encountered have been good and if luck favors drilling will be pushed to 2,500 feet, at which depth it is expected that the Noranda ore bodies will begin to show on the property.

WRIGHT-HARGREAVE SPLITS STOCK 2 FOR 1 ON 20% BASIS

Capitalization of Important Kirkland Producer Will be Doubled

Wright-Hargraves has increased its capitalization from $2,750,000, $1 par to 5,500,000 shares, no par value. Old shares will be exchanged on a basis of one for two new. This is equivalent to 100 per cent. stock bonus.

Old shares will receive a 10 per cent. dividend, payable to shareholders of record, April 15. The new stock will be dated May 1. The new shares will be on a 20 per cent. basis plus bonuses.

Directors announced that the diamond drilling west of the fault and in direction of Lake Shore boundary, had cut the north vein on the 1,000 and 1,250-ft. levels and shows 8 to 10 ft. wide with values of approximately $35 a ton in gold. This apparently established the north and south system of veins west of the fault and the connection with the Lake Shore vein system.

Pawnee Operation Means Much to East Kirkland

Pawnee Kirkland property, which is being developed under the same management as that of Northland Mines, are sinking a shaft. This property is well regarded in the camp. Surface conditions were excellent and though some disappointing drilling was done some time ago, the property has never had a real testing. Those now in control are noted for their thoroughness and some good news from this section of Lebel Township would likely result in a number of other opperations starting up.

Servais Gold Group to Be Diamond Drilled

While it has not yet been announced officially, it is understood that a deal is practically closed that will provide $50,000 for diamond drilling the Servais Gold Mines, in South Teck Tp.

This group is about 1½ miles direct south of Lake Shore and some excellent surface showings have been found in the six veins uncovered on surface.

MINING STOCK QUOTATIONS

Week Ending March 22

	Par	Div.		High	Low	Close	Sales	Range, 1926		Range, 1927	
	Val., $	Rate	Yield	for wk.	for wk.	Mar. 22	for wk.	High	Low	High	Low
Aconda	1	...	...	28	23½	23½	35200	..	..	45	20
Amulet	1	...	...	1.34	1.25	1.28	70935	2.89	.90	2.89	1.22
Algonquin	1	...	...	2¾	2½	2½	6500	6¼	1¼	5¼	2
Apex	1	...	...	2	2	2	2000	6	2¾	3½	2
Area	1	...	...	40	36	36½	91300	1.55	.21	1.95	.29
Argo. Con.	1	...	...	43	33	40	213900	67	18½	58	33
Atlas	1	...	...	6½	4½	5¾	241550	5	1⅝	7	2
Abana	1	...	...	30	29	29	2000	..	..	31	20
Amos	.	...	...	..	..	..	.....	..	..	56	40
Ajax	.	...	...	30	24	30	7700	..	..	44	6½
Bard	.	...	...	1.25	.65	.65	59400	..	..	1.50	.50
Baldwin	4	...	...	2¾	2½	2½	33100	6⅞	1	4¾	2¼
Barry Holl.	1	...	...	46	40	42	213125	1.00	.21	1.00	.38
Beaver	1	...	...	64¾	62½	62½	9600	99	51	75	59½
Bellellen L.	1	...	...	16	14	14	1000	23½	20	23½	14
Bidgood	1	...	...	6	6	6	1000	9⅝	4½	9½	5½
Bourlamaque	1	...	...	1.25	.75	.75	87000	1.45	1.02	1.5 3	.75
Buckingham	1	...	...	6¾	5	5	52000	7¾	2	9½	5
Boischatel	.	...	...	11¾	8½	9½	20800	..	..	27	8½
Cen. Manitoba	.	...	...	1.20	1.15	1.16	8075	..	..	1.31	1.07
Capital R.	.	...	...	25	18½	19	26500	43	26	54½	18
Can. Lorrain	1	...	...	40	38½	39	34650	93	57	72	37½
Capitol S.	1	...	...	26	25	25	22500	48½	24	34	25
Castle Tre.	1	...	...	1.20	.97	.99	60862	1.85	.91	1.27	.97
Chaput H.	1	...	...	8	6½	6¾	17200	22	3⅛	10	4⅝
Clifton	1	...	...	1½	1½	1½	5500	6½	1	2	1
Coniagas	5	...	...	3.80	3.70	3.70	350	4.85	3.00	4.40	3.70
Coniaurum	5	...	...	3.20	3.10	3.10	1120	4.45	3.00	3.50	3.00
Col. Kirk.	1	...	...	3⅛	2½	2¾	16500	6¾	2	3⅞	2
Cons. Smelter	25	10	4.01	251	248	249½	2395	265	177¼	255	242
C. W. Dome	1	...	...	11	7	7½	290650	29½	14	19	7
Crown Res.	1	...	...	8½	7¼	8¼	21200	24⅛	8	11¾	7¼
Corona	1	...	...	17	11¾	12¾	92900	37½	20	37	11¾
Destor	.	...	...	40	40	40	500	41	40	43	40
Davidson	1	...	...	..	..	..	.....	3	1½	3	1½
Dome Mines	None	2.00	23.10	8.95	8.55	8.55	1240	20.00	8.00	10.85	8.30
Don Rouyn	1	...	...	33	29	29½	244300	61	25	56½	25
Duprey	.	...	...	..	..	..	.....	..	..	10	10
Duprat	1	...	...	16	13	13¾	261500	35½	10	34½	13
Dubec	.	...	...	37	35	35½	50000	..	..	37	35
Fiske	.	...	...	10	10	10	250	16	12	30½	10
Everett	1	...	...	4	3½	4	5500	12¼	3¾	5½	3½
Gifford	1	...	...	1	½	⅞	10000	..	..	1¾	½
Gladstone	.	...	...	29	29	29	2000	..	..	29	29
Goldale	1	...	...	25	23	23¾	4100	43	24	30	20
Gold Hill	1	...	...	42	37	37	78600	73½	25	54	34
Gold Reef.	1	...	...	1½	1¼	1¼	36500	5	1	2½	1¼
Grover Daley	.	...	...	17	14	14	114000	32	22	37	14
Harvey	.	...	...	16	16	16	10	..	..	16	16
Hillcrest, pfd.	100	7	8.04	87	87	87	10	83	79½	87	85
Hill Top	1	...	...	17½	15½	15½	3500	31¾	20	24	15
Hollinger	5	26	6.20	21.10	20.95	21.00	8369	21.00	16.65	22.65	20.00
Howey Gold	.	...	...	47	45	45	2000	..	..	53	42
Haultain	.	...	...	..	..	..	.....	..	..	15	14
Indian	1	...	...	9	5¾	8	12200	14½	3¾	11	4
Int. Nickel, c.	None	2.00	5.00	41½	39⅞	40	8033	46	33	44¾	38
Jay Copper	.	...	...	1.05	1.04	1.04	35900	1.10	.73	1.26	1.04
Keeley	1	24	17.00	1.44	1.37	1.41	22150	1.91	1.39	1.46	1.37
Keora Mines	1	...	...	9	7	7	17600	22	11	13½	7
Kirk. Hunt.	1	...	...	19¾	15	15¾	73600	34	8½	35	15
Kirk. Lake	1	...	...	89	87	89	69350	1.44	.69	1.00	.85
Lucky Jim	.	...	...	21	20	21	2000	..	..	21	20
Lake Shore	1	40	2.24	18.25	17.85	17.85	10500	16.15	9.50	19.00	15.40
Lakeside	1	...	...	3	2½	2½	68000	10	1⅛	6	2½
Laval	1	...	...	39	20	31	360125	45¾	21	55	20
La Rose	1	...	...	9	7	7½	5055	39	4	12	7
Lorrain	1	...	...	2¼	2	2	22330	15	2	3¼	2
Lorrain T. L.	1	...	...	..	..	..	.....	1.10	.30	.40	.25
Marclay	1	...	...	40½	40	40¼	28840	35	30	42	34½
Macassa	1	...	...	28	25	27½	9200	43	25	37	22
McKinley	1	...	...	18½	13	13	17550	26	8½	17½	11
McIntyre	5	20	3.92	25.50	24.70	25.50	15670	29.75	22.70	27.50	24.70
Millcrest	1	...	...	4	4	4	2000	6	4½	6	4
Mining Corp.	5	12½c	...	3.15	3.05	3.12	3595	4.45	2.60	3.50	2.90
Moneta	1	...	...	12¾	12	12	2000	18	11	14	12
Montreal Rouyn	1	...	...	19	12	17	5025	60	13	33	10
Noranda	None	...	...	24.35	22.90	23.60	74471	24.75	12.00	24.35	19.95
Newray	1	...	...	..	..	..	.....	45	31	33	30
Night Hawk	1	...	...	5	4⅞	5	35650	17	3¾	8½	4½
Nipissing	5	12	7.40	8.60	7.40	8.10	33232	9.25	4.90	10.30	7.25
Ophir	1	...	...	2½	2½	2½	2500	4	½	4⅝	1¾
N. Amer. Lead	.	...	...	2.08	1.93	2.00	11300	..	..	2.08	1.71
Potter Doal	.	...	...	56	49	49	173350	..	..	65	32
P. L. Cobalt	1	...	...	8	8	8	24000	32	14½	18	7½
Porc. Crown	1	...	...	7	6	7	52400	12	4	11	6
Power and Mines	1	...	...	1.15	1.00	1.12	25800	..	..	1.15	1.00
Pioneer	1	...	...	1.07	1.03	1.03	13125	1.22	.66	1.18	1.00
Premier Gold	1	32	14.88	2.15	2.09	2.15	22630	2.75	1.83	2.30	1.86
Preston	1	...	...	4½	4	4	10000	9⅞	4	6	4
Osisko	.	...	...	.60	.50	.50	9000	1.94	1.05	1.75	.50
Rouyn	1	...	...	2	2	2	8000	9	1⅞	5	2
Rouyn, Que.	1	...	...	1½	1½	1½	3000	4½	1¼	4⅝	1½
Siscoe	1	...	...	..	..	..	.....	...	..	20	12
South Keora	1	...	...	64½	15	15	51900	35½	5	64½	15
Stadacona	1	...	...	34	26	27	63947	51	40	55	26
Teck Hughes	1	10	1.57	6.60	6.25	6.35	53261	5.55	2.64	6.80	5.37
Timiskaming	1	...	...	..	..	..	.....	15¾	6	7	5
Thomp. Krist	1	...	...	¾	¾	¾	1000	3½	1	1	½
Tough Oakes	1	...	...	52	39	44	250000	66	36	62½	39
Towagamac	1	...	...	3.77	3.35	3.55	25708	6.10	3.15	5.75	3.35
Do., Rights	.	...	...	4	1½	4	11574	..	..	19	1½
Vic. Silver	1	...	...	10½	8½	10¼	143600	10½	3	14	4½
Vickers	1	...	...	1.52	.40	.70	81050	1.22	.13	1.46	.40
Vipond	1	8	2.02	1.52	1.44	1.48	37612	2.02	1.49	1.75	1.25
Sylvanite	.	...	...	4.10	4.10	4.10	50	..	..	4.30	2.60
Ribago	.	...	...	45	35½	35½	17350	..	..	87	35½
West Dome	.	...	...	7	7	7	6000	..	..	10½	7
Wakenda	1	...	...	3½	3	3	10500	2¾	1	5	2
Wasapika	1	...	...	1¼	1¼	1¼	3000	4	1	2	1
West Tree	1	...	...	3¾	3	3	12000	4	2	4	3
Wettlaufer	1	...	...	2	2	2	1000	10	2	3	2
Wright Har.	1	37½	3.56	11.00	10.35	10.85	18935	10.00	7.75	11.05	9.35
St. Anthony	1	...	...	28	24	28	11500	..	..	31	16
Vac. Gas	1	...	...	10	5.50	5.50	100	..	..	6.00	3.95
Que. Pros.	.	...	...	5.50	9	8	8400	[illegible]	[illegible]	[illegible]	[illegible]

Prepare to Push on Eplette-Metcalfe Group

J. W. Morrison, consulting engineer on the Eplette-Metcalfe property in Montbray Tp., Rouyn area, announces that J. McDonald, for the last two years employed at Alderson MacKay mine, has agreed to take charge of the work on the Eplette and an extensive program of work will be undertaken as soon as possible. The work to date has been on surface and a number of deep test pits have been sunk and these have shown encouraging results. The discovery, which caused much interest when announced, has not been opened for close to 100 feet and over a width of six feet shows consistent and high copper gold values.

HIGH SILVER LEAD VALUES NEAR SOO

Mexican Operator Has Taken Up Group and Organized Ranger Lake Mines

Ranger Lake Mines is the name of a new mining campany accepted for listing on Standard Mining Exchange. E. W. Mitchell, a Mexican mine and oil operator, is head of the company, Its holdings are about 25 miles from the Soo and are lead silver. Sensational values have been secured by surface work and trenching.

There is an eight mile galena zone in contact with porphyry, limes and granites. The Ranger Lake Co. started on a three inch silver-lead linze, the centre of a wide break which was stripped for around 60 ft. A test pit was sunk and the pay streak widened to three feet of clean ore which gives values up to $80 and $90 in silver and lead.

Eighteen men are now employed and plans for a plant are now under consideration.

The operation is about the first of its kind in this area which has been staked solidly. The experience of those sponsoring the venture indicates an aggressive mining policy.

Grace Mine Shaft Down To 350-Foot Level Now

From Our Own Correspondent.

MONTREAL.—Shaft sinking is progressing rapidly at the Grace Mine in Michipicoten district. The total depth reached to date is 350 feet. At the bottom of the shaft the vein is strong and shows free gold at times. Assays are rich.

The intention is to continue sinking to the 500 foot level to prove the diamond drill work that was completed last summer.

The plans for the erection of a mill are now progressing. It is hoped that it will be completed before the end of the year.

A large number of prospectors are ready to take the field in this area as soon as the snow is off the ground, as a number of rich finds have been reported late last fall, and further work will take place on the new stakings early this spring. The claims have been changing hands at good figures.

The Algoma Central Railroad is preparing for an increased traffic, and will have a daily train running from Hawk Junction to Michipicoten Harbor.

Macassa Will Sink New Shaft in Spring

Macassa, which is developing an interesting group to the west of Kirkland Lake Gold, is one of the interesting new operations in the camp. While considerable success has been met with in the work on the 500-ft. level, it is understood that the real effort will not be forthcoming until the company gets a new shaft down. This will be started this spring and pushed ahead. The new shaft will be nearer the middle of the property and will make it possible to get into several interesting geological areas on the property.

New Plant at Atlin

Atlin Silver Lead, Atlin, B.C., which has been financed in Montreal and New York, has installed a reduction plant and a hydro plant will be added in time for spring operations. Silver-lead ore shipped last fall averaged $73.88.

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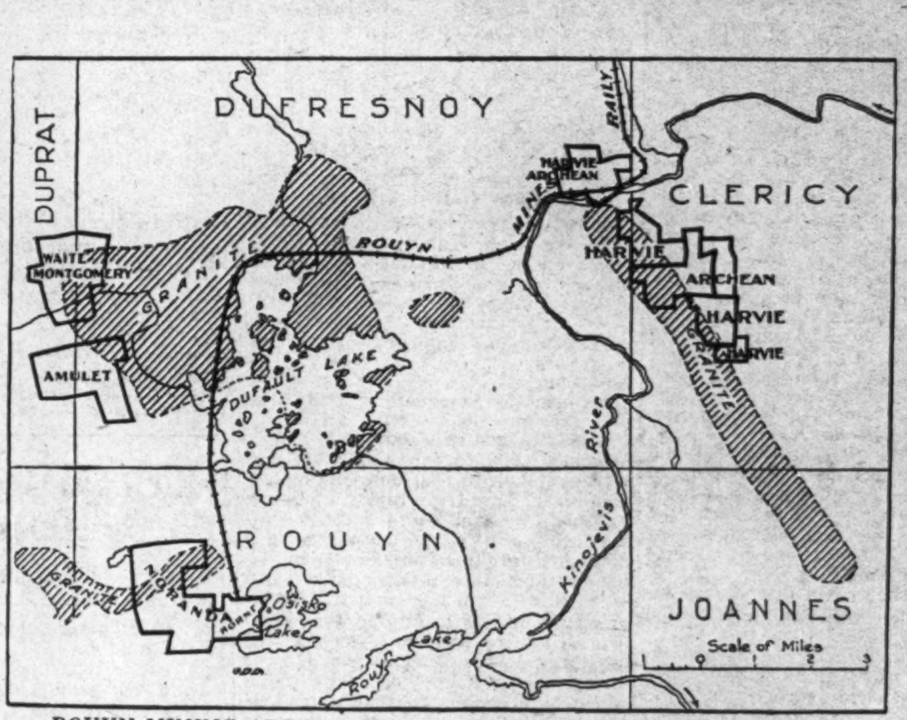

HARVIE MINING
EXPLORATION COMPANY, LIMITED

ROUYN MINING AREA, showing relation of several principal operations to the margin of Granite Areas and to Railway Transportation.

OWING to the widespread demand for authoritative information on this company, a special memorandum has been prepared covering field operations, financial plans, etc. Copies will be gladly furnished on request to

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Lake Shore Has Not Mined Ore Below 800 Level of Mine as Yet

Shaft is Now Down 1,400-ft. and Will Go Through to 1,600-ft.

CRAMMED WITH ORE

Only One Stope in the Mine is Not Full to Capacity

For the first time in a long while, new construction seems at an end at Lake Shore. The whole operation is in a wonderful shape on surface and the mine seems clogged with ore. How long will elapse before the management will launch another mill increase is problematical, but from the shape of the mine, such a move may not be long in coming.

Lake Shore mill is now handling 750 tons of ore daily and underground it is rather difficult to see where they are taking the ore from. Only one stope in the whole mine is not crammed full of ore and it is half full, and other new stopes are being opened up. It will come as a surprise to many to note that the latest stope being opened is on the 400-ft. level. And also that there is an ore face on the 200-ft. level that has not yet been touched.

Ore From Upper Levels

With the exception of development at deeper levels, the ore from which goes to the mill, Lake Shore continues to draw all its ore from above the 800-ft. level. Reserves have not been estimated so that it is difficult to estimate the amount of ore still left in these upper levels, but a guess would place the total at about double the mine's total production to date of around $9,000,000.

When the writer was on the property recently they were cutting the station for the opening up of the 1,400-ft. level and by the end of May it is expected that the shaft will be down to 1,600 feet or double the depth from which ore has been taken. It has been estimated that the first 800 feet of the mine will produce $30,000,000. It is believed that the next 800 feet will nearly double this. The ore is richer, the veins show a tendency to bulge and there are coming in numerous cross veins that have not as yet been touched. This makes it look as if the prediction that the mine would produce $100,000,000 down to 2,000 feet one easy of achievement.

One Drift Below 800 Feet

Below the 800-ft. level, the only lateral work done in the mine has been some drifting on the 1,000-ft. level the ore from which was sent to the mill. On the other new levels, only the stations have been cut in the shaft. To the west, a winze is being sunk a couple of levels, all in order, of remarkably high grade, in fact the same as Teck-Hughes is getting. This is just a little exploratory effort and later the winze can be utilized as a part of a stope. Meanwhile it is giving the company some remarkable information.

17 New Ore Faces

When Lake Shore's shaft reaches the 1,600-ft. level, there will be seventeen faces in the mine remaining unopened. There will be four on the 1,200, four on the 1,400 and four on the 1,600. There is one on the 800, 2 on the 600 and 2 on the 200 that have not been worked. These faces in turn give possibilities of tremendous lengths. For instance, No. 1 ore body on the upper levels is opened near to Teck-Hughes boundary, 1,000 feet and the distance east, almost to the Wright Hargreaves boundary, is a little greater. The possible length of each vein is about 2,300 feet, or about 4,500 feet of ore on each level. Levels are 200 feet apart and by May there will be eight levels in the mine, with mining done on only four of them.

Shoots Widen Out

Some of the Lake Shore ore shoots are showing remarkable widening tendencies. This is due to bulges that are showing in the veins. For instance, on the 800-ft. level is one stope that shows an average width of ore of 15 feet. In other places some of these bulges in the vein hold for great lengths, the longest being for 150 feet with an average of 25 feet of ore. This is also on the 800-ft. level or the deepest opened level.

Lake Shore has not made public its ore reserves. The company makes a conservative estimate of the ore on each level and also the values, so as to have a knowledge of what may be expected from the ores from the different stopes but this data is not made public.

Plant is Excellent

Lake Shore's surface plant is in excellent position. The large new compressor, 2,500 cubic feet, has been set in the same house as the new electric hoist. Incidentally it is noted that the foundations have been provided for a similar compressor. The new hoist and compressor house is an immaculate building, set close to the mill and shaft house. Primary crushing is to be done under ground. Lake Shore's mill is in excellent shape and giving the greatest satisfaction.

BIG INTERESTS ARE LOOKING AT QUEEN LEBEL'S HOLDINGS

Company Holds 1¼ Miles Along South Shore of Gull Lake

Some important mining interests have been looking over Queen Lebel property on the east and south part of Gull Lake. This property has been opened up to the 300-ft. level and has two important showings of ore on that level. Much interest is focused on the property as many engineers believe that the eastern extension of the mineralized zone of the camp passes along somewhere near the south part of Gull Lake. Queen Lebel has about 1¼ miles of the south shore.

John Taylor & Sons, London, Eng., now concentrating their efforts on Central Manitoba Mines, carried on considerable work on this property, and the company, following this up, have opened out a couple of shoots. No. 1 shoot is 150 ft. long and shows good width, with values running $4, $3, $6, $5.20, or an average of $4.

Fairly Good Ore

No. 2 shoot, about 200 ft. long, runs as high as $7, with an average of $3 to $4. Widths run around 20 ft. The ore is good. Black quartz is full of fine sulphides and there is an appreciable amount of molybdenite. The ore shoots are found along a porphyry contact.

Recently the company purchased the two Baniff claims adjoining on the west, and increased the capitalization to $3,000,000.

A small group of Kitchener men have provided the finances to take care of the operation to date.

EXPECT CONROYAL WILL BE PRODUCER

Much Optimism and Favorable Comment on This Lebel Tp. Venture

Conroyal Gold Mines, which took over the Kirk Gold and Oswego properties in Lebel Twp., Kirkland Lake, is regarded as the most interesting development in the Kirkland Lake camp out of the producing area.

The Kirk Gold Co. and its successor have steadily carried on an aggressive exploration. The shaft is down 500-ft. and the vein has been cut on this and the 300-ft. level.

The company picked up the vein by diamond drilling and got excellent values in the core and the present laterial work is following up the drill results. Work to date has been most encouraging and the opinion expressed throughout the camp is that the operation is bound to develop into a mine of importance.

The camps and equipment are of the best and in recently adding new equipment, the company made provisions for a quick switch-over to electricity when the move is justified.

Editor of E. & M. J. Retires

Josiah E. Spurr, editor of Engineering and Mining Journal, announces that he will relinquish his post in April.

LEASE OPERATORS ON COPPER-GOLD PROPERTIES SEEN

Another Important Change Coming in North Mining Operations

Recently The Financial Post pictured a change that is coming over the mining industry of the country, due to the finding of so many important copper deposits and which promises to make base metal production, copper and zinc, quite important. Cyril T. Young, of the Canadian National Railway Development branch, who is just back from Rouyn camp, points to another important development, which he believes will result and that is that there will develop throughout the country a number of lease operations, much the same as is the case now in British Columbia and the Western States.

The big factor in this development, Mr. Young thinks, will be the customs concentrator, yet to be built and the customs smelter, now building, on the Noranda property. The Canadian National Railways will be a big factor in this regard as it will haul these ores to the smelter.

Railways to Expand

The railway is expanding its lines in the Quebec field and is making an effort to maintain, as far as possible, a one-half of one per cent. grade. This will really make ore, as it will mean such a low freight rate, that ore that would ordinarily have no commercial value can be shipped. Mr. Young believes that throughout the whole country there will be found innumerable deposits of complex copper-gold ores that can be worked profitably by leasers and the product shipped, perhaps one and two cars monthly.

Mines producing ores like Argonaut, are the kind that will benefit by the customs ore facilities.

Mr. Young says that the area north of the Transcontinental is looking decidedly important. Porcupine Crown, Norrington Development and Abana are three operations in this section. There are points along the line into Rouyn that look attractive also.

The C.N.R. is still surveying its line to Towagamac. An effort is being made to get all the large operators on main spur lines so that they will have the benefit of good passenger and freight service.

ANOTHER MILL FOR KIRKLAND IN APRIL

Sylvanite Mine Has Been Opened Up Well in Preparation

Sylvanite Mines, adjoining Wright-Hargreaves on the east, should have its new mill operating in April. There have been delays because of the non-delivery of parts of the necessary equipment.

The mine is said to be in excellent shape. A great deal of work has been done from surface down to 1,500 feet and a great deal of excellent ore has been put in sight.

What kind of a mine the Sylvanite will turn out to be remains to be seen. There are many engineers who doubt if it will compare with the three rich producers to the west. It is explained that the Sylvanite shaft is on a fault which cuts through from north to south and that on the west of this there are Wright-Hargreaves conditions, while to the east there is the broken condition the same as on the Tough Oakes Burnside to the east.

It is believed that for the most part the Sylvanite shoots are short, though some of them are quite rich.

National Silver Expands Through a Subsidiary

VANCOUVER.—National Silver Mines, operating Bush group, Portland Canal area, has organized British Dominion Mining Co., head office, Vancouver, to take up several groups, 15 claims, in Salmon River area.

These include Sunshine, Monitor group, Maple Leaf group and Exchange group, adjacent to and adjoining on north and west the property of Sebakwe & District Mines, Limited.

Laurier Mines Again Extends Its Holdings

MONTREAL. — Announcement has been made that the purchases of mining groups for Laurier Mines has practically been completed. Aside from some negotiations that are still pending for some desirable properties in Boischatel township, the Laurier company now has a total of 62 groups of claims with total holdings in the neighborhood of 28,000 acres. Not only is the company well fortified in the extent of its acreage, but also the quality of every group seems assured for they all adjoin or are in the immediate neighborhood of one or more of the well-known companies in the field.

In view of the favorable reports from the new shaft of the Granada on the old Bathurst-Gamble claims, it is likely that one of the first operations of the new company will be on its claims just east of the Granada workings. Another group which is slated to get early action in development is that on the Boischatel-Dasserat boundary just east of the Eplett-Metcalfe.

United Mineral Lands Drive Now at Ankerite

United Mineral Lands drift east toward Paymaster's south claim and is now about the line of the south Paymaster claim. No crosscutting has been done while passing through Ankerite ground, but after drifting some distance in their own ground the company will crosscut. This development should be very interesting during the next few months."

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Gull-Kirkland Mines, Limited, has a property situated in the rich Kirkland Lake Camp, immediately east of the producing section of the camp, and in line with the producing mines. The company's holdings are surrounded on three sides by and include a part of the attractive Gull Lake, which many engineers believe holds the extension of the main break to the east.
Diamond drilling now proceeding and important discoveries have been made. Maps of the district and full particulars of Gull-Kirkland Mines sent on request.

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Teck-Hughes is Really Two Mines in One; Are Being Operated Separate

Old Mine and Old Mill Still Going — Long Life Ahead

RICH MINE BELOW

Different and Richer Mine Lies Under and Requires Different Mill to Handle It

Teck-Hughes mine stands out as one of the most unique mines in Northern Ontario. It is two mines in one.

Down to about the 13th level is the old mine, with its ore of fair average content, with patches of high grade and some interesting possibilities for future exploration. This ore is free milling and does not require very fine grinding.

Below this horizon has opened out a new and sensational mine, extraordinarily rich ore, over substantial lengths and showing great widths. This ore is more refractory, requires finer grinding than the ore in the old mine and so is being treated in the new mill, one half a unit of which is already in operation.

The writer really doubts if there is any real appreciation of the remarkable mine which Manager D. L. H. Forbes has developed at depth on Teck-Hughes. Engineers of the camp who have examined the ore shoots and are capable of judging their possibilities, say they stand out above anything else in the north country.

Depends on Depth

Mr. Forbes is quite modest about his achievement, a success which has crowned a remarkably long and hard uphill fight. To-day its possibilities are large. How large remains to be seen, but it is believed that the remarkable richness, length and width of the ore bodies, presage a tremendous life for the operation. The length of this will likely be limited only by the depth to which the ore carries. Some close students of the camp are predicting that the deposits will carry to at least 6,000 feet.

Teck-Hughes' new mill, a pioneer effort in fine grinding in Northern Ontario, is giving results better than hoped for, according to Mr. Forbes. The ores, which are much more refractory than those on the upper levels, are responding to the treatment and the mill is giving fine results in extraction.

Old Mine Possibilities

Lots of pleasant surprises may be expected in the old mine, but Mr. Forbes states that there is nothing of a big nature in the upper section that he does not already know about. Levels 9 and 10 are yet to be developed and there are some good chances on both of these.

Teck-Hughes' big new shaft is now nearing the 2,000-ft. level and by midsummer Mr. Forbes estimates that the shaft will be at 2,300 feet and all the stations cut. By July or August the mine will be ready to take care of the larger capacity mill and production will then be full steam ahead.

Lots of Ore Available

Meanwhile it is understood that the ore which dipped out of the shaft has come back in and will likely stay there. The new mill is being operated on development ore and yet one storage bin is full and the other near full. These hold about 400 tons and take up the excess from development over the mill requirements. With the ore staying in the new shaft, it is likely that the storage capacity will be over-taxed. Teck-Hughes — rich ore, by the way—has been proved to extend down to 2,500 feet by diamond drill.

It is hardly desirable that an attempt be made to outline the size of the ore bodies that have been opened up in a limited way as yet. The lengths run up to 800 feet and widths to 50 feet and more. It is understood that one ore body, which is generally referred to as a $50 body, shows more assays of $200 than it does assays under $50. These are not official figures. No attempt has been made to estimate ore reserves.

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UNIQUE PROSPECTING OUTFIT DOES WELL

Coniagas and Nipissing Each Handling Quebec Prospectors' Group

Both Nipissing and Coniagas are developing groups of claims owned by Quebec Prospectors, that syndicate of competent mining men, engineers, geologists, executives and financiers. The year has been a successful one, they state. Some have urged that the shares, now selling at a high figure be split, but the directors see nothing to justify this. A year hence, if success continues, something may be done.

The company has widely scattered interests in Quebec and Manitoba, and the development around each property during the year is outlined in some detail. Because some Ontario Department of Mines officials are associated, the company does not operate in Ontario. Public attention has been drawn to its Montbray Township claims, Province of Quebec, through the interest shown by the Nipissing Mining Co., this company having taken an option on the property, and has conducted extensive exploratory work. The report discusses the Montbray situation as follows:

"The Montbray claims, consisting of ten claims, was staked in 1925, and an option on an 80 per cent. interest therein granted on the 17th October, 1925, to Mr. Hugh Park, the general manager of the Nipissing Mining Company, Limited. Your company has since received notice of the assignment of this option to the Nipissing Mining Company, Limited. All payments due under the terms of the option in the year 1926 were duly paid, and your company has now received total payments under the terms of this option of $15,000. During the year 1927 payments totaling $45,000 fall due, as follows: $15,000 on the 1st May, $30,000 on the 1st November.

"The work of the Nipissing Mining Company, Limited, on these claims has disclosed three ore bodies, and the last discovery, No. 3, carries some attractive values. Its full extent has not yet been determined, but the Nipissing Mining Company, Limited, are carrying on diamond drilling and electrical survey. The best information obtained by your company is that the shareholders have reason to be optimistic in regard to the ultimate results from this group of claims.

"Boischatel Township claims, consisting of ten claims with an area of 400 acres, are situate at the north-west corner of Boischatel Township, with two claims in the adjoining township to the west, Desserat, and one claim in the township to the north, Duprat. An option was granted to an 85 per cent. interest for $50,000 on these claims on the 25th May, 1926, to the Coniagas Mines, Limited, and an initial payment of $1,000 made at that time. The next payment of $10,000 falls due on the 1st June, 1927. Coniagas Mines, Limited, duly did the work on these claims during the year 1926, and mining licenses have been obtained covering the same, which hold the claims without further expenditure until the 19th August, 1927. The Coniagas Mines, Limited, have a discovery which they are extensively prospecting immediately to the north of this group, and should this north group develop into a real prospect they will require the claims optioned from your company."

Expenditure and revenue account discloses gross revenue during the year of $11,944, of which $1,811 was derived from interest on investments and $9,432 from the Nipissing option on the Montbray claims. Expenditures totaled $5,536, and thus surplus remained at $6,409.

Pioneer at Clearwater Lake

Pioneer Mining Corporation along with the Huronian Belt Co. have acquired the Vienotte-McLean property, consisting of 27 claims, adjoining the Hollinger option on the Hill-Tivy-Sloan groups in the Clearwater Lake country, Red Lake area.

Core From Drill on Duprat Looking Good

Duprat Mines diamond drilling has reached a depth of 515 feet and the core from footage 375 to 402 showed a decided change. This consisted of a very siliceous rock fairly well mineralized with pyrite, pyrrhotite and chalcopyrite. Samples are now being assayed.

The diamond drilling on Duprat Mines is being performed in the vicinty of the same diabase dyke which cuts diagonally through the Waite-Montgomery property and on the Duprat property and in the vicinity of which dyke Waite-Montgomery have blocked out all their ore.

FISKE GOLD READY TO DRIVE AHEAD ON EXPLORATION WORK

Engineer Has Camp on Each Group and Roads Connecting Each Up

Senator Sir Geo. Foster, president of Fiske Gold Mines, has issued a progress report on the work to date on the company's extensive holdings in Quebec. Of late The Financial Post has received numerous letters from Ottawa about the position of the operation, and voicing the opinion that the assets of the company were being wasted. Sir George's letter indirectly answers the points raised. The letter shows slow, but careful progress is being made in exploring the company's holdings.

The report:

The Fiske properties in the Rouyn district consists of 1,790 acres of mining claims, divided into four groups, separated from each other by distances of from two to five miles.

Raised $50,000

Since the directors have been in charge these properties have been paid for, surveys completed, and a working fund of some $50,000 covered into the treasury. Assessment work for two years has been done, roads cut between the groups and necessary connections made with main routes for convenience of communication and supplies. A large part of the claims have been prospected with the dip needle and a considerable amount of trenching and uncovering done in order to discover the most favorable ground for succeeding development work. Suitable camps have been constructed on all the groups where men can be comfortably cared for.

On Group 111 a shaft 7 x 9 has been sunk to a depth of 36 feet and a drift tunnel started from that depth to crosscut the thirty-foot vein there encountered.

Trenching and uncovering are now being prosecuted on Group No. 1, on what appears to be favorable surface indications.

Plans For Summer

When the very heavy snow of the season has disappeared everything will be in readiness for the complete surface exploration and geological examination of all the properties and which will be prosecuted intensively during the season. The conditions in Rouyn have been, up to the present, unfavorable and costly from lack of railway communications and power facilities, and the directors on the advice of their engineer decided to confine the work to the completion of the preliminary operations necessary to carry on development in the season of 1927 when regular railway communication will be afforded, power resources available and the cost of operation practically cut in two.

Our engineer in his January report thus alludes to the plan followed and the work accomplished.

Faced a Problem

"When I assumed control it was of four groups of claims widely separated with no equipment and no accommodation for men or animals that I could as a miner, ask another miner to live in. Work at that time was being done upon group 111 and I found that I was faced with the assessment work coming due within a month or so upon some 600 acres of ground, on groups 11 and IV, which are separated a good many miles apart. With the above starting point I planned my programme. I realized that the working of each group was a job in itself, and that if we were going to get anywhere without delay we must work crews on all groups in 1927 to intensively prospect the surface and examine thoroughly all showings. To do this we must have proper accommodations on each group to take care of the crew of men doing this work. This has been done. We have now a camp upon each group of claims which will house the necessary force during the preliminary work. These buildings are not palaces but well constructed log cabins suitable for the job in hand.

Magnetic Surveys

"While the work was under way I have also completed a very considerable program of magnetic surveying, have pretty well joined up all the separated groups by roads and trails that can be traveled, have completed the assessment work for last year on Nos. 11 and IV and filed it, and in addition, have sunk 36 feet of shaft, done hundreds of feet of trenching and traveled over all parts of the different properties personally, mapping and laying the base for close geological examination this year. Personally, I think that we have done an exceptional amount of real good work and my twenty-five years of hard bought mining and traveled over all parts of the right. In order to work efficiently this year I had to prepare for it last fall when I could do little else. At the breakup this spring I shall be in shape and equipped to start and keep up active field exploration until snow falls this year without interruption. I will not have to lose two months at the beginning of the season to build camps on each group and get roads and trails in and doing it also at a time of the year when the cost of building would be considerably greater with the material I had to work with than last fall.

Crew of 10 Men

"This work has cost to date approximately $15,000 for six months' operations, or $2,500 per month, which was my estimate at the start, and this has covered work on over 2,000 acres of property in four groups separated a half day's journey apart. This has been done with a single crew of an average of ten men and without an accident."

The directors have carefully supervised account keeping and expenditure and conducted the office work in an economical manner. On two occasions recently a director has visited the properties, inspected the work, and gone over all matters with the engineer. Both have reported their entire satisfaction with the plans and work of the engineer. At the annual meeting to take place in May full reports will be made to the shareholders. While up to the present a working mine has not been developed, indications are, on the whole, favorable.

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GROZELLE EFFORT MEANS MUCH TO KIRKLAND WEST

Property Adjoins Chaput Hughes on the South — J. W. Morrison in Charge

Much interest centres around the opening of the Grozelle property in Kirkland Lake, lying to the south of Kirkland Lake Gold and adjoining Chaput Hughes. Many engineers have predicted that this property would show excellent possibilities when opened up. The company has not been a strong one, but for some time interests have been buying up the stock and got control. They are now out to make a mining effort.

J. W. Morrison, who developed Lake Shore, Argonaut and other properties in the camp, has been placed in charge. New camps have been erected, and it is understood that operations will start at once. Some of the leading shareholders have been induced to provide funds to launch the opening.

There are two distinct features to this property. There is a south break which is said to be east and west and the vein filling is described as similar to that of the main section of the camp. There are some important looking veins in this section.

To the north there is a different looking situation and the tendency of the veins there seems to be north and south.

What is considered important is that there is a large porphyry body on the south part of the property. The group consists of 117 acres and there is a shaft down 500 feet on the south fracture. No. 2 vein has been opened for 40 feet on surface and gives $8 values. There are four veins in this system and 17 known veins on the property.

An engineer representing a large U.S. company recently looked over the property.

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Argonaut, Pioneer of Type of Mine, That May be Numerous in North

Possibility of Many Copper-Gold Ventures in Different Sections

DOING MUCH BETTER

Deeper Levels of Mine Are Opening Out Well — Values Improve

Argonaut mines is proving the pioneer in Ontario in what seems destined to develop into a large and important class of Ontario and Quebec mines. That is copper-gold. During the past couple of weeks The Financial Post has published articles on the base metal exploration that is going on in Ontario. The situation in Quebec has been repeatedly reviewed.

Argonaut has been pioneering in this class of ore and its experiences and troubles will make it easy for the operations that are coming up. Argonaut started out as a gold operation. The copper values came in and provided an intricate problem. This took considerable time to solve but indications are not lacking that the operation is now well out of the woods.

There has been much impatience shown in regard Argonaut. It has been on the go a long time, but its problems have been many. The heads of the company have had to refinance a couple of times, because of the costly problems encountered from time to time. These problems, as they arose provided a good supply of bearish news and this left the stock open for raids, weakened the morale of the shareholders and made financing difficult.

Operation is Liked

Engineers seem agreed, however, that Argonaut is destined to become an important producer. The operation was never in better shape. Its surface equipment is of the best. The mill has been rehabilitated of late, and is now said to be very efficient. It treats the gold-copper ores, extracts a part of the gold and ships a copper concentrate containing the residue of the gold values to the smelter.

The big problem for Argonaut at the moment is the freight charges and heavy smelter charges on top of that. It is understood that the concentrates sent out are valued around $100 per ton and that the mine is capable of shipping two to three cars monthly. It is said that the freight charges alone amount to $15. From this is can be seen that the advent of the Noranda custom smelter at Rouyn, about 45 miles east of the Argonaut, will prove a blessing to this mine. Undoubtedly the fact that Noranda would immediately become a shipper and that there are prospects of several other boundary shippers, is causing the C.N.R. to push ahead its survey of the line from Rouyn to Cheminis. It will connect up with the T. & N. O., which road would have a short haul of the Argonaut ore.

Opening Deeper Levels

Meanwhile Argonaut is meeting with excellent success in its underground development. The 875 and 1,000-ft. levels opened out in a spectacular way. Excellent new ore bodies carrying high copper-gold values were opened up on these levels and completely changed the complexion of the enterprise. Since then these ore bodies have been picked up on upper levels, and it was just recently announced that the drills had cut 8-ft. of $30 ore on the 600 and while it was not known, it was thought to be the upward extension of one of the rich bodies found on the lower levels.

Shareholders are watching for the opening up of two new levels. The shaft is now being deepened 250-ft. and levels will be opened at 1,125 and 1,250. Lateral work on both horizons will be launched simultaneously and as the distance to the known ore zones is about the same on both levels, they should be reached about the same time. The expectation is that there will be some good news available early in April.

$1,000 Hecla Copper Share Nets Millions

Mining stock has been the basis of many fortunes, and one of the most recent instances is that of Mrs. Scollard of Bellingham, Wash. Her name has been in the Washington state papers very much of late in view of the prosecution of her husband for absconding with several hundred thousands of dollars' worth of securities. When her first husband died some years ago, the principal asset of his estate was a $1,000 share certificate in the Hecla Mining Co. It was bought in the days when shares were cheap. This certificate brought her $1,700,000, which was the basis of her present fortune of several million dollars.

CORONA'S ELECTRIC SURVEY THIS WEEK

Practically All the Important Groups in Corona Area Being Drilled

Corona Mines has lines for the electrical survey cut and the field manager of the Swedish American Electrical Corporation says the survey will start during the week of March 21st.

The southeastern part of the Corona properties in Duprat Township looks exceptionally well and mining men, who have been over this property, and the other properties in Quebec, consider that it has a good chance. The gossan on the surface is identical with the gossan originally discovered on the Horne property, and the electrical survey is being conducted for the purpose of indicating where diamond drilling should be carried on first. As soon as the electrical survey is completed, drilling is to follow.

It is of importance to note that diamond drilling is being done on the Ribago, Vickers and American Smelting & Refining properties which all adjoin Corona.

Supplies to tide over the break-up season have all been put in, and the company has sufficient finances on hand for all the development work planned for the coming season.

WALSH KATRINE IN NEED OF FINANCES

Sinking Operations on Promising Group in E. Kirkland Were Recently Resumed

Walsh Katrine Gold Mines in East Kirkland Lake looked very attractive for a long time, because of the aggressive operation carried on. Some dissension seems to have worked in, spoiled the united front that the company had maintained, and this in turn has materially interfered with financing.

It is understood that sinking has been halted for some time now, but was resumed on a small scale just recently. The working is down below the 625 foot. It is intended to cut a station at the 750 and continue the working to 1,000. Some ore was developed on the 250 and 500 foot levels, but the management is of the opinion better results will be obtained at the 1,000 foot.

The company is negotiating for funds which will allow for an enlarged and speedier operation.

DETAILS OF AREA'S DRILLING ARE NOT VERY ENCOURAGING

Deepest Hole to 444-ft. Has Not Encountered Commercial Ore

Area Mines has issued a progress report covering operations for the first three months of the year. The report is important in two ways; it marks a welcome change in that shareholders are informed in considerable detail as to what is going on; 2, it details the results of the diamond drilling to date in checking up the electrical survey.

The very nature of the report is bearish and does not bring a great deal of consolation to holders of stock, especially those who got in near the top. However, it presages a very aggressive exploratory effort for the coming summer.

K. A. MacPhadyen, manager, reviews the diamond drilling done. Nothing has been encountered down to 444 ft. except a couple of bodies of banded pyrrhotite and some pyrite. However, the hole is to be continued to 500 ft. on the off chance that there might be something found and to eliminate any doubt of the electrical survey indications having been caused by mineralization below a depth of 300 ft. which he says is generally regarded as the limit for electrical results of the strength recorded in this area. Five holes in all were put down, 147, 230, 168, 188 and the fifth at the time of reporting was 444 ft. It is pointed out that from the iron pyrite body at 440 ft. the core to the bottom of the hole was well mineralized.

The report:

Turcotte Option

Electrical Indication No. 1: A vertical diamond drill hole was attempted in the centre of this indication but had to be abandoned at a depth of nine feet owing to heavy boulders which the drill crew found it impossible to pass with their stand pipe.

Two angle holes were drilled from the south to intersect this indication eighty feet from its western extremity at vertical depths of 35 and 85 feet respectively. Two shallow flat-lying sections of banded pyrrhotite mineralization were intersected in these holes, but nothing of a commercial nature was encountered.

A trench and test-pit was sunk through heavy boulder clay over the centre of the indicated zone near its eastern boundary and bed rock was reached at a depth of twenty-three feet. A vertical hole is being drilled from this point and banded pyrrhotite mineralization, similar to that found in the two previous holes, was encountered at a depth of eleven feet below the surface of the rock. A further twenty-four feet of banded pyrrhotite mineralization was cut at a depth of three hundred feet, and on Friday afternoon (March 18th), three inches of solid iron pyrite was intersected at 440 feet and was followed by well mineralized formation to 444 feet, the bottom of the hole at the time this report is concluded.

Electrical Indication No. 2: Surface trenching on this indication exposed rusted acid lava, well mineralized with extremely fine iron pyrite, but only traces of zinc and copper sulphides were evident. To the north and south of the boundaries of the electrically indicated zone the rock was much more basic and practically barren.

Electrical Indication No. 3: This indication was subjected to intensive surface trenching but no more than ordinary mineralization was found in the rock exposed within the boundaries of the indicated zone.

Electrical Indication No. 4: Bed rock was reached by trenching on both sides of this indication, but at no point within its boundaries, there being a distinct depression in the rock surface with correspondingly deep overburden. The rock exposed near the margins was an andesitic lava slightly mineralized with very fine iron pyrite and traces of chalcopyrite.

Electrical Indication No. 5 (1A): A cross trench on this indication failed to reveal any mineralization of more than normal intensity.

Electrical Indication No. 6: Two angle holes were drilled from points within the limits of this indication to cross-cut it from south to north and from west to east. Banded pyrrhotite mineralization was intersected in one of these holes at a depth of one hundred feet, but apart from this section, no mineralization of any importance was recorded.

Summary on Turcotte Option

Four diamond drill holes with depths of 147, 230, 168 and 188 feet respectively have been completed, and a fifth has now reached a depth of 444 feet. The latter will be continued to a depth of at least five hundred feet as a test hole for geological information and to eliminate any doubt of the indications having been caused by mineralization below a depth of three hundred feet which is generally regarded as the limit for electrical results of the strength recorded in this area.

Approximately one thousand feet of surface trench was performed in the general area to ascertain if the conductive zones indicated outcropped on the surface, and to obtain information on the geological structure.

Continuous engineering work has been carried on, including detailed magnetic survey, topographical mapping and surveys of all lines used and points established in the course of electrical prospecting. With the exception of detailed geology, which can not be completed until the snow has gone, all data necessary for careful exploratory work is now at hand.

Main Area Group

The lake portion of this group was prospected electrically over the ice; no official report has yet been received, but it is understood that no indications of any importance were recorded. The two western claims, A. 3703 and 375 were also prospected electrically and an indication of minor importance was obtained in the section where the best showings were obtained in last summer's work; this showed the zone to extend beyond the limits of the surface work performed with slightly increased strength toward the west so additional trenching is proposed.

North Group

This group was prepared for electrical prospecting and the operators have just started their survey; no reports on their results are yet available.

General

Supplies have been laid in for the summer's work and everything is in readiness for an extensive campaign of development which will start as soon as the snow is gone and weather conditions permit. Diamond drilling, electrical prospecting and such surface trenching as is necessary will be continued in the meantime.

WILL SOON CALL ANDEAN

Andean Copper shares are soon to be called for trading on Montreal Mining Exchange.

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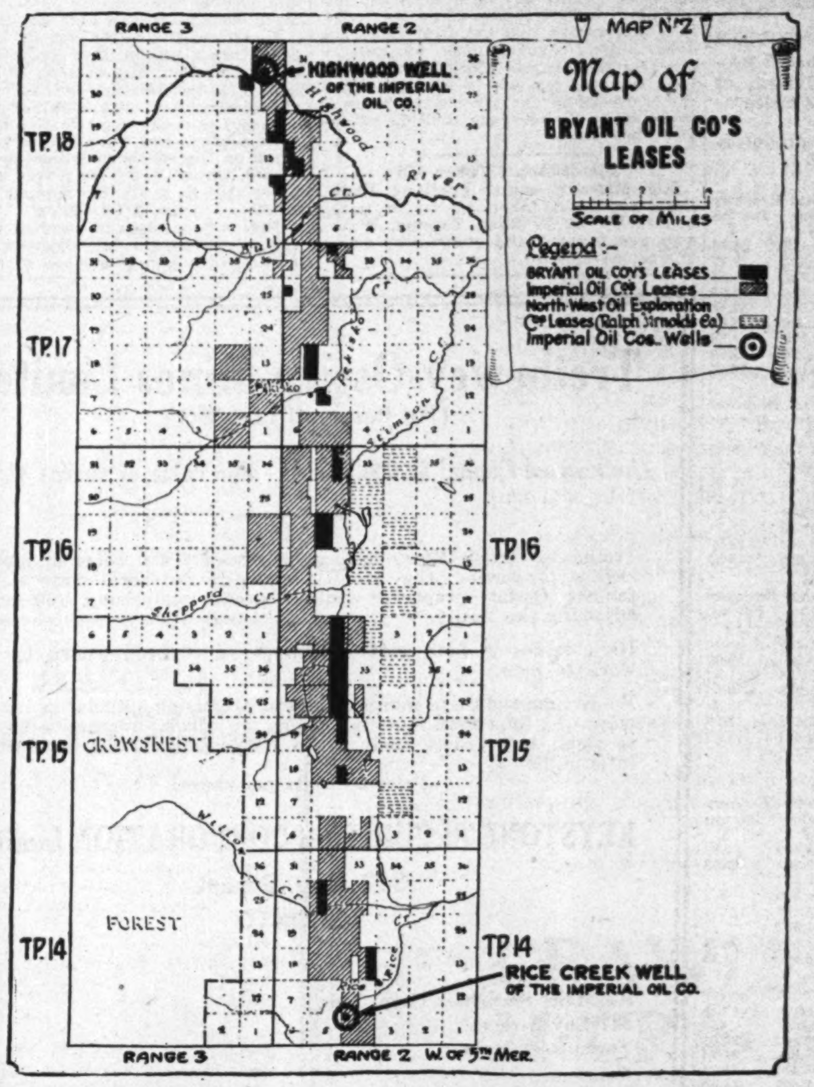

In addition to those Leases the Bryant Oil Co. holds royalty on the HIGHWOOD WELL of the IMPERIAL OIL CO. shown on map.

This acreage, as shown by the accompanying map, runs through the centre of the holdings of the Imperial Oil Co., who are drilling near the south end of the area on Rice Creek and near the north end on the Highwood River.

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Ontario Mines Have Paid $246,227,040 in Dividends

Nickel Company Payments Are Available for First Time and Show Interesting Total—Lead Silver Metal Producers by Small Margin

It has always been difficult in the past to figure the total dividends paid by the nickel companies of Northern Ontario. This year Ontario Department of Mines publishes them in detail for the first time. They show that International Nickel has distributed a total of $71,338,590, and Mond Nickel $20,017,671, or a total of $91,356,261. This compares with a total of $93,896,737 paid by Cobalt and Lorrain silver mines and $60,974,042 paid by the gold mines.

The total figures are huge, $246,227,040. Hollinger, it will be seen, ranks second as a dividend payer, and Nipissing silver mine second.

The figures follow:

(Gold Mines)

	End 1925	1926	Total
Hollinger	$30,530,800	$6,396,000	$36,926,800
McIntyre	5,245,894	798,000	6,043,894
Dome	8,354,171	1,906,668	10,260,839
Others	2,579,000	....	2,579,000
			55,810,633
Kirkland	....	....	
Lake Shore	1,044,000	1,000,000	2,044,000
Wright-Hargreaves	1,375,000	893,750	2,268,750
Teck-Hughes	....	452,014	452,014
Tough-Oakes	398,625	....	398,625
	....	....	$ 5,163,409
Total gold	....	....	$60,974,042

(Silver Mines)

	To end of 1925 $ c.	During 1926 $ c.	To end of 1926 $ c.
Keeley Silver	1,280,000.00	480,000.00	1,760,000.00
Kerr Lake	10,299,000.00	150,000.00	10,449,000.00
Lorrain Trout Lake	150,000.00	150,000.00	300,000.00
Mining Corporation	5,706,381.22	415,012.50	6,121,393.72
Nipissing	28,578,297.00	750,000.00	29,328,297.00
Total	46,013,678.22	1,945,012.50	47,958,690.72
Other companies	45,938,046.69	....	45,938,046.69
Total silver	91,951,724.91	1,945,012.50	93,896,737.41

(Nickel Mines)

Company	Total to end of 1925	Paid in 1926	Total to end of 1926
Canadian Copper	$ 1,975,000	....	$ 1,975,000
†International Nickel, preferred	10,695,006	$ 534,756	11,229,762
International Nickel, common	54,787,060	3,346,768	58,133,828
Total	$67,457,066	$3,881,524	$71,338,590
‡Mond Nickel Co., deferred	£ 264,043	....	£ 264,043
" preferred	1,619,989	£ 236,370	1,856,359
" Common	1,880,318	112,500	1,992,818
Total	£3,763,350	£ 848,870	£ 4,113,220 $20,017,671

*For the Mond Nickel Company the fiscal year ends April 30 and the figures given are to that date.

†Successors to the Canadian Copper Company. The International Nickel Company paid dividends on the common stock from 1909 to 1919, inclusive, and again in 1925 and 1926. Common stock outstanding is $41,834,600, and preferred stock $8,912,600, or a total of $50,747,200.

‡Debenture interest paid by the Mond company was £96,393 for the fiscal year ending April 30, 1926; and from 1912 to 1926, inclusive, totalled £935,156. The issued and paid-up capital of this company is £900,000 common; £1,750,000 cumulative preference, £2,000,000 non-cumulative preference, both of these 7 per cent.; £375,000 of 5 per cent. debenture stock, and £1,000,000 of 5½ per cent. debenture stock; or a total of £8,025,000.

KIRKLAND MINES WILL SOON HANDLE 4,000 TONS DAILY

Three Leaders Are Each Hurrying to 1,000 Ton Mark

Wright-Hargreaves will increase its mill tonnage 250 tons to 750 daily. In less than a year 1,000 tons daily is possible. Lake Shore is handling 750 tons daily but will soon be up to 1,000 tons.

Teck Hughes new mill will ultimately handle 600 to 750 tons and the old mill 250 tons.

This means 3 one-thousand ton mines for the camp.

Sylvanite, Tough Oakes, Kirkland Lake Gold and Argonaut should provide at least another 1,000 tons, or 4,000 tons in all, and an ore twice as rich as that of Porcupine.

Production figures of the producers are as follows:

Lake Shore

Year	Tons Milled	Gold Prod. Ozs.	Total Value $	Recovery Per ton $
1918	16,749	20,031	416,413	24.86
1919	11,081	12,695	263,354	23.77
1920	19,779	24,291	503,734	25.47
1921	21,817	23,896	495,276	22.70
1922	22,279	22,737	471,340	19.41
1923	23,203	26,430	547,599	23.60
1924	56,168	53,053	1,098,572	19.56
1925	104,765	94,456	1,958,720	18.69
1926	171,197	133,893	2,775,000	16.21

Teck Hughes

Year	Tons Milled	Gold Prod. Ozs.	Total Value $	Recovery Per ton $
1919	18,387	8,156	169,590	9.22
1920	30,646	11,909	247,757	8.08
1921	34,693	15,582	322,918	9.32
1922	41,194	28,779	596,495	14.48
1923	38,314	53,954	1,117,963	29.17
1924	44,209	49,350	1,023,025	23.14
1925	55,220	48,077	996,943	18.05
1926	87,074	77,266	1,601,209	18.39

Wright Hargreaves

Year	Tons Milled	Gold Prod. Ozs.	Total Value $	Recovery Per ton $
x1913	3	42	1,126	....
1921	36,081	.....	468,666	13.00
1922	66,181	36,748	762,753	11.52
1923	79,242	36,369	754,978	9.52
1924	84,487	52,464	1,088,725	12.89
1925	147,939	92,286	1,913,402	12.93
1926	153,392	.....	2,150,844	14.02

xPrevious operation.

Kirkland Lake Gold

Year	Tons Milled	Gold Prod. Ozs.	Total Value $	Recovery Per ton $
1919	11,324	.....	56,263	4.97
1920	40,812	.....	286,901	7.03
1921	.....	.....	242,417	...
1922	.....	.....	224,396	...
1923	.....	.....	223,102	...
1924	.....	.....	46,572	...
1925	.....	.....	......	...
1926	10,829	.....	126,999	11.73

Tough Oakes Burnside

Year	Tons Milled	Gold Prod. Ozs.	Total Value $	Recovery Per ton $
1913	2,220	3,164	66,632	30.01
1914	3,734	5,523	117,643	31.24
1915	26,196	26,658	555,539	21.21
1916	39,865	33,991	711,625	18.85
1917	38,695	16,383	342,830	8.86
1918	22,000	6,619	139,683	6.35
1922x	16,108	5,144	107,481	6.05
1923	1,803	579	12,174	6.75
1924	8,430	2,280	47,547	5.53
1925	34,152	12,625	263,064	7.70
1926	43,871	14,819	309,709	7.06

xDid not produce 1919-20-21.

Manufacturers Oil Has Issued 60,000 Shares

From Our Own Correspondent.

MONTREAL.—The Manufacturers Oil and Refineries is making preparations to drill two wells in the Wainwright field as soon as possible this spring. The Manufacturers Oil and Refineries is a new company which hopes to operate in central Alberta as a producer, refiner and manufacturer of crude oil and its by-products. It is planned to take one of the two wells to a depth of 3,000 feet or more in order to make a test of the acreage immediately at the start.

A ten-inch casing for the first well has already been ordered and it is expected to be on the ground by the time drilling commences. The company has two complete drilling outfits available for use. Both are in the field and will be hauled to the Manufacturers' drilling sites shortly. The first stock issue of the Manufacturers Oil and Refineries to be placed on the market is composed of 60,000 shares out of a total capitalization of 500,000 shares of no par value. It is understood that the first issue has been largely underwritten by eastern financial houses. A block of stock has been reserved for sale in Alberta. With the proceeds of the first stock issue it is hoped to finance the drilling of the first two wells.

Big Missouri Taken Up

Big Missouri mine, Portland Canal, B.C., has been taken up by a group headed by W. R. Rust, Tacoma, Wash., who was founder and controlling owner of Tacoma Smelter.

100 Per Cent. Jump in Kirkland's Gold Output in 1926

Kirkland Lake has produced $26,326,811 in gold to date, and paid $5,340,764 in dividends. Last year's output was double that of 1925 and it is expected that 1927 will about double that of 1926. The figures by years:

	Production	Dividends
1913	$ 65,260	
1914	114,154	
1915	551,069	
1916	702,461	
1917	404,346	
1918	632,007	$ 100,000
1919	486,009	100,000
1920	1,033,478	80,000
1921	1,524,851	120,000
1922	2,159,231	492,500
1923	2,647,630	366,250
1924	3,446,632	586,250
1925	5.386,618	1,150,000
1926	7,173,065	2,345,764
Total	$26,326,811	$5,340,764

AMULET DRILLING HAS NOT FOUND NEW ORE BODIES

Bodies Indicated by Electrical Survey Have So Far Proven Elusive

Amulet Gold Mines has issued a progress report on the work done on its properties since the first of the year. It is not real encouraging and doubtless was a factor in the recent ease in the stock. The report gives the long awaited news in regard the diamond drilling undertaken to test out the electrical survey indications and like the experience on Area, as given in another column, results so far have been negligible.

The report of manager K. MacPhadyen follows:

No. 4 Ore Area

Electrical Indication No. 1 (7):—This indication, which is the more southerly of the two large conductive zones established by electrical prospecting near the boundary of the Turcotte claim of Area Mines, Limited, has been explored by five diamond drill holes having depths of 200, 204, 185, 298 and 314 feet respectively. Three relatively important mineralized zones were intersected in the course of this work, and from sections plotted, it would appear that these are sheets or flat lying bodies from ten to thirty feet in thickness, dipping slightly to the south-east. In the hole in which they appear to be closest to the normal rock surface their depths are 30, 160 and 205 feet from the surface and the mineralization in all cases is banded pyrrhotite with fair amounts of pyrite but only traces of chalcopyrite and sphalerite. A composite sample of core from the upper zone showed a sulphide content of 36.25 per cent., but copper, zinc and precious metal values were negligible.

The projected exploration of this indication consists of a series of vertical holes along its axis at fifty foot intervals to be followed by angle holes to cross-cut the mineralized zones established; this should give conclusive information as to the intensity and character of the mineralization throughout the indicated area. Nothing of a commercial nature has been encountered in the drilling so far completed, but a change in the character of the sulphides, which is not impossible, would immediately alter the situation; sulphides of copper or zinc, if present in the same quantity as the iron sulphides encountered would provide high grade ore.

Electrical Indication No. 2 (5):—Surface trenching on this indication has failed to reveal any outcrop of mineralization of sufficient intensity to justify the electrical results obtained, so it is assumed that this zone is also below the rock surface and when the drilling program on the southern indication is completed, the drill will be moved up to explore this in a similar manner.

No. 2 Ore Area

The only work performed in this area during the period under review was the mining of a sample carload of ore to be shipped to the Ore Dressing Department of the Bureau of Mines at Ottawa for practical flotation tests. The unexpected soft weather early in March has tied up all transportation in the district and it has so far been impossible to load the car. This will be done, however, as soon as weather conditions permit.

General

No further work has been performed in No. 1 or No. 3 Ore Areas, nor has there been any underground development since the first of the year. It was considered advisable to concentrate all work on the electrical indications, and with the exception of the mining of the sample carload of ore, this policy has been closely followed.

All necessary supplies for the summer's operations are on the property and an intensive campaign of exploration is planned, during which all the possibilities of "A" group will be carefully investigated.

British Metals Options Nova Scotia Lead Group

The lead-ore deposits which occur about sixteen miles from Truro, Nova Scotia, in Colchester County, are to be the object of extensive exploration work this year. The British Metal Corporation, Truro, N.S., has taken a working option on thirty-seven square miles of ground in which these deposits occur. The company is installing machinery preparatory to sinking on the ore body to a depth of possibly 500 feet.

LIST McDOUGALL SHARES

McDougall Mines, which will develop McDougall-Cassels property in Rouyn, has been listed on Standard Exchange.

EARLY THAW AIDS ROUYN RAILWAY

Danger of Tie-up During Break-up Now About Removed

The north country has had a severe mild spell of late. This has played havoc with the trails, but has been an excellent thing for the C.N.R. branch line into Rouyn. It is said that this gradual run-off of the snow makes it almost certain that there will be no delay in the service into the Rouyn. The one danger that now faces the operation is the possibility of heavy spring rains before the ballasting operations can be got under way. It is the intention to start ballasting as soon as the frost is out from under the ties.

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WELL NOW DOWN 2,706 FT., located on 80 acres on structure. Log of well running identical to that of famous Royalite Number 4 and other producers a short distance away.

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Capital 2,000,000 Shares
Treasury 1,200,000 Shares

Par Value $1.00 Per Share

PROPERTIES—
440 ACRES TOWNSHIP OF ROUYN
600 ACRES TOWNSHIP OF CADILLAC
550 ACRES TOWNSHIP OF MALARTIC

An outstanding Quebec mining enterprise of exceptional merit. Spectacular showings of free gold on Cadillac township group, adjoining the M. J. O'Brien operation. Encouraging report by reputable engineer of mining and active development proceeding on Cadillac and Malartic properties. Surface, diamond drill and shaft assays indicate correct geological formation. Initial offering 300,000 shares at 35c.

Hoist and other mining machinery are now on the site.

Write, phone, or wire for booklet and Engineers' report to

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FISCAL AGENTS
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Toronto, Ontario
Phone Main 6413

Trethewey-Ossian Mines Limited
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High values in both gold and copper have been shown by the work to date.

We recommend these shares as a most promising speculative investment. As important news is pending we advise prospective buyers to send their orders early or to write immediately for further information.

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Kindly furnish me with detailed information regarding Trethewey-Ossian Mines, Limited.

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4th —The results obtained up-to-date are most **wonderful.**
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6th —The property has been thoroughly inspected by sixty (60) or more well known business men from all parts of the province who have become interested in the Company themselves and have also interested their friends.
7th —The time to buy is now, before the price of the shares is too high.
8th —The real opportunity is to buy while the Company is in its infancy.
9th —There are still a few shares available at comparatively very low figures.
10th—The man who makes the money is the one who invests at the early stage.

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NORANDA'S ORES SHOW A HIGHER AVERAGE PER TON

Estimate Reserves at $25,100,000—Expect Production End of Year

Noranda estimates ore reserves at $25,100,000.

Many will be disappointed, as there were those who looked for a tremendous increase in reserves.

This estimate is what might be called an operator's figure. It differs much from a promotion or development estimate, inasmuch as it is bound to be conservative. Figures for the past reports are shown in the adjoining column, while there is a material increase in tonnage. The most striking thing is the steady increase made by each report to the average value of the deposits.

The report says that unless there are unforeseen delays, production will be under way by the end of the year.

Consolidated statement of receipts and expenditures shows cash on hand at the commencement of the year at $299,317. Cash receipts totalled $1,960,583, including $1,742,000, being the proceeds from the sale of capital stock. The sum of $2,228,375 was expended for the company's various purposes, including $200,000 applied to the paying off of a note. The sum of $232,526 was deducted from total expenditures, being portion of assets acquired on credit extended by sundry creditors, which left the cash outlay at $1,995,848. Current assets at $272,071 compare with current liabilities of $271,568. Capital surplus is carried at $2,314,788.

Lower No. 3 Shaft

President James Y. Murdock points out that none of the issue of bonds of the Horne Co. for $3,000,000 agreed to be purchased by Hollinger Consolidated was issued during 1926, and the balance sheet, therefore, does not show this financing. The low market value for copper during the past year has rendered it advisable to estimate indicated ore reserves at 13 cents per pound as against 14 cents, the price taken the previous year. The new No. 3 shaft will shortly be equipped, and sinking to the 600-foot level will be pushed rapidly. At this level extensive lateral development is to be undertaken. The new electrically-driven equipment for this shaft, consisting of two 25 drill capacity compressors, will shortly be in operation, and will result in rapid development progress being made.

General Manager E. Hibbert gives a comprehensive outline of developments at the property:

"During the year 1926 underground operations were limited by lack of power and hoisting equipment, as all power had to be generated by wood-burning steam plants, and it was only at the end of the year that sufficient electrical power was obtained to run one small compressor using a 100 horsepower motor; further electrical power will not be available until the end of February, 1927. However, 6,734 feet of development drifting and cross-cutting was accomplished, as well as 155.5 feet of development raising and 311 feet of shaft raising, making the total footage of underground openings at the end of the year 794 feet of shaft and shaft raises and 13,964.5 feet of drifts and cross-cuts. The above drifts were driven for development purpose, and those that will be used for working drifts require to be enlarged; part of this work was done during 1926, some 15,000 cubic feet of rock being excavated in this connection. Diamond drilling from the surface during the year amounted to 387 feet, and the footage drilled in underground holes was 7,414.5, making a total of 32,727 feet of diamond drilling done on the property up to the end of 1926.

"The foundations have been poured for the hoist house, change house and drill-sharpening shop, as well as the piers for the steel head-frame. A temporary warehouse, 40 feet by 100 feet, oil house, core house and 25,000-gallon water tank, were also erected, together with pumps and pipe lines.

Estimated Ore Reserves

"Considerable work has been done by diamond drilling, cross-cutting and driving along the ore bodies in order to better define their limits, although very little raising has so far been done in the ore bodies between the different levels. Using the results obtained from this work, the indicated tonnage as of January 1, 1927, above the 300-foot level, is 1,022,425 tons of ore, having a gross value of $25,100,000, taking copper at 13 cents per pound. The average grade of the ore is approximately $5.03 gold and 7.51 per cent. copper. Sufficient diamond drilling was also done on the zinc ore body near No. 2 shaft to indicate a tonnage of 53,000 tons, averaging 10.4 per cent. zinc, but more diamond drilling remains to be done before the limits of this ore body are determined.

Smelter Construction

"The smelter is being built according to the design and plans of A. E. Wheeler, New York, who started to work on the plans in January, 1926. During the winter of 1925-26 considerable excavation and construction equipment, as well as 1,800 barrels of cement, were brought in over 32 miles of winter road from Cheminis, the nearest railway station, and about 1,500 yards of gravel were hauled to the smelter site. Early in June preliminary plans were received, and the main buildings and tracks staked out, and excavation work was started about the middle of June on the site for the machine shop. Concrete work was started September 1, and by October 1 the supply of cement was exhausted, and four cars of cement had to be brought to the Windfall Rapids by rail, down the Kinojevis River in scows to Rouyn Landing, and then to the smelter site by team. The Canadian National Branch Lines Railway Company laid their track into our yards October 28, 1926, and the first steel was raised on the power house on November 25. Electric power was turned on December 7, but only sufficient is available to furnish lights for the mine and camps and run one of the small compressors at the mine."

Noranda's Tonnage of Reserves and Average Values Are Higher

Date of Estimate	Tons	Gold $	Copper %	Average $	Gross value $
xDec. 31/24	239,000	6.21	8.18	27.48	6.567,400
xxDec. 21/24	372,500	5.15	4.04	15.65	5,840,000
					$12,407,400
xPartially blocked. xxIndicated by drilling.					
November 1/25	982,265	5.25	5.94	20.70	$20,329,000
January 1/26	944,525	5.54	6.7	22.96	$21,686,294
January 1/27	1,022,425	5.03	7.51	24.55	$25,100,000

Stock Quotations

I am interested in Rouyn stocks. Where could I get a record of the past year's market?

If you would ask at Stobie Forlong & Company or Moysey & Company, Montreal office, Montreal, they would give you a tabular sheet showing the mining transactions of the past year.

Harvie Mine Shares Split on 5-1 Basis

Report on Consolidation With Archean Will Soon be Issued to Shareholders — Fourth Plant Being Taken to Property

Shares of Harvie Mining Co. will be split on a basis of five new for one old. The value of the new shares will be $5. The old were of no par value and sold lately at $20.

It is understood that the committee appointed by the Harvie-Archean directors to arrange terms for the amalgamation of the two companies has completed its work and the proposal will be announced to the shareholders before the end of the month.

Take in Fourth Plant

The fourth mining plant for the Harvie-Archean operation reached its destination after a desperate race with the weather. The spring break up of the rivers came much earlier than usual this year, and for a time it looked as though the heavy machinery and three hundred tons of supplies would be left on the wrong side of the river until finally cleared of ice.

A wire from Dr. Robert Harvie says that the temperature has dropped to ten below zero and this will enable them to get the heavy stuff safely into camp.

Operate Thompson Group

The new machinery will be used to sink a shaft on the Thompson situation where a fourteen foot width of ore has been located. When this operation is under way, Dr. Harvie will have seventy-five men at work.

Progress on the two main showings is being carried forward with great speed. On the main shaft three shifts are being employed, and this means twenty-four hours work per day.

Important results are being met with, and Dr. Harvie will make public the details when he comes out from the camp.

STAND. EXCHANGE BOARD MUST PROBE TO BOTTOM NOW

(Continued from page 17)

result that the news was on the street before the session for that day closed. South Keora was hit first. Selling started, when the news spread that the stock was going to be kicked off the exchange. It broke from above 60 to 15. Vickers stayed firm. After the meeting Bourlamaque eased back to around the dollar mark. Monday saw the break in Vickers when the stock dropped from around $1.50 to 40 cents.

It is generally believed that the action of the exchange was based on the idea that the three stocks in question were being supported on the market; that the ruling price of each was a fictitious one and that there really existed a corner in the shares.

No information has been forthcoming as to what these companies or the brokers handling their shares, revealed to the directors of the exchange that would support or disprove such a belief. It has generally been understood, that like numerous other companies, the trio were financing their operation through the market and all three stocks were handled by members of the exchange. Financing through the market invariably involves some degree of support. The question of stock pools, option contracts, etc., would enter into the matter. Were the outstanding shares in the hands of the public and were the holders free to sell them, if they so desired, are questions that would bear materially on a question of a corner in the stock.

Financing Method at Fault

Back of the whole trouble is the antiquated method of mining finance. It is a relic of the early days of the industry. It was a good system then, but has outlived its usefulness. The change must come slowly, but it is time to start the ball rolling. Mining finance can to-day be placed on the same basis as industrial finance, but a start must be made. For a mine to option practically all its treasury shares to a broker, at a price, before even the surface is broken, is no longer necessary. The same with optioning blocks of shares at five and ten cents. The days of 5 cent shares are passed. If a mine stock to-day is not worth 25 cents for a start, then it is not worth five. The idea of a broker being allowed to take down stock for five cents and to unload it on the public at 50 cents should not be permitted. That is the kind of finance that makes the general public easy marks for the stock jobbers and makes raids on the market a simple matter. Standard Exchange could do some educational work along this line.

A review of the holdings of the three stocks in question, South Keora, Vickers and Bourlamaque, follows:

South Keora

South Keora, capital $3,000,000, issued 2,500,000 of which 2,000,000 is held in Trust for Porcupine Keora Mines. Balance treasury shares said to have been sold to public.

Company owns group in South Lorrain, on what is called Maiden's Fault and 500 acres west of Waite-Montgomery in N.W. Quebec. Is working on group in Gillies limit, just outside Cobalt. It was to develop this group that the company was recently brought to life after lying dormant for considerable time. No annual meeting held in some years, so reported to Ontario Provincial Secretary in annual return. Reason given, no business to transact, company inactive. No shareholder demanded meeting. P. Kiely of Kiely & Smith, brokers, optioned block of treasury shares when market was at 5c. Details of underwriting agreement not available, but new deal has involved sale of around 300,000 shares. Debts of company known to have been around $10,000 paid off and on last report there was $40,000 in treasury. Just before break in stock underwriters took down 10,000 shares at 50 cents net to the treasury. No pool in existance. No outstanding option.

Vickers Mines Ltd.

Vickers capitalization $1,500,000, issued 951,046 shares, held by 300 odd shareholders.

Owns 80 acres adjoining Coniaurum on east which on two or three occasions, in last couple of years, has been subject of negotiation. Owns acres, straddling line of Boischatel and Rouyn at Duprat boundary, Quebec. Chas. Spearman, M.E., has been in charge of work on this property which consisted of trenching stripping, which opened seven veins on surface. Diamond drilling of the group recently started.

Owns two groups, 23 claims west Boischatel, which Dome Mines has been negotiating for. Understood that Pres. Bache and Alex. Fasken were favorable to immediate deal but that Mr. DePencier counselled that they await until the snow was off ground. Believed that deal is now about closed with Howe Sound Co. of New York who operate Britannia Mine, in British Columbia. Company has financing deal with Abana Mines, an attractive venture in Northern Quebec and also one with McCarthy Webb Mines, Goudreau. By these deals Vickers is to get 500,000 shares of stock of each company. F. G. Oke has financed the company and was to take down stock for funds advanced. This stock has not been issued.

Bourlamaque Syndicate, capital $500,000, issued 439,000 shares $1 par balance of treasury optioned to Kemerer & Co. at $1.00. Small pool exists in shares.

Held annual meeting in July, 1926, and split old shares 10 for 1. Controls North American Lead, see facts below:

Controls Calartic Mines, Montbray Tp., Quebec. Has several groups, about 24 claims, on which work is being done in various parts of Quebec, and controls a producing feldspar mine at Warren, Ont., near Sudbury. This latter has not been looking so good, but is shipping regularly and has a good chance of working out.

Shipping in Machinery

A report to Port Arthur News-Chronicle, dated, Schreiber says of Bourlamaque Syndicate subsidiary:

Three carloads of machinery for the properties of the North American Lead and Refining Company have arrived at Dorion, 85 miles west of here on the C.P.R., and will be transported to the properties. There is now assembled at Dorion complete equipment for two mines, the Dorion and Ogema, which are but a short distance apart. While the distance from Dorion to the mines is slightly greater than from Ouimet, another C.P.R. station, it has been decided to make the former station the transfer point for goods and passengers to and from the properties. A large number of horses have been engaged from farmers and timber operators to haul the machinery, a trial of caterpillar tractors having convinced the management that the old-fashioned methods, in this case, would be more satisfactory.

Officials of the North American Lead and Refining Company, a subsidiary of Bourlamaque syndicate, expect that two of the properties of the company will start production immediately the equipment has been installed, and it is hoped that this will be effected within a month. Properties of the company comprise four lead-zinc properties, two of them opened up sufficient to demonstrate that they may be expected to prove very high-grade deposits.

Market History of Vickers, South Keora and Bourlamaque Syndicate

	Vickers		Bourlamaque		South Keora	
	H	L	H	L	H	L
1926						
January	16	13	770	665	..	..
February (a)	69	15	875	770	..	..
March	66	40	950	860	..	..
April	47	40	980	950	..	..
May	45	40	995	945	..	..
June	40	36	1000	985	..	..
July	39	39	x1015	995	5	..
August	80	42	113	108	10	8½
September	83	79	118	113	14	5
October	97	83	123	115	14	11
November	109	96	135	123	25	12
December	122	109	145	134	35	24
1927						
January 1	123	120	144	143	35	35
January 15	131	130	149	148	39	..
February 1	131	130	150	148	45	..
February 15	131	130	152	...	51	50
March 1	140	139	150	...	59	57
March 15	146	143	130	120	64	..
March 17	152	146	120	105	64	..
March 18	150	145	110	100	64	15
March 19	145	40	100	...	25	15
March 21	72	50	100	...	25	21

(a) Short interest developed, many brokers being caught.
x Stock split 10 for 1.

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Have you the Foresight and Courage to grasp this Opportunity

Latest news from the Town of Taschereau, Northern Quebec, says "Harvie-Archean Mines opening up a veritable Mountain of Ore."

NOTE—Harvie-Archean Syndicate was privately issued at $5.00 per share, now selling privately at $20.00 per share.

We offer these 400 acres for immediate sale—Price $25,000.00—vendors retaining a 10% non-assessable interest.

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A DIAMOND drilling campaign has been started on the Trethewey-Ossian property and early reports give every indication of promise. Complete reports of progress at the mine will be made from time to time by the engineer of the property. Detailed information as to the exact stage of development of the property will always be available to the shareholders and public at the offices of the company.

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"We feed your men"

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may not be
A GOOD COOK

IF HIS days and nights are busy in seeing that production is kept up and expenses kept down, your Superintendent ought not to be bothered with hiring and firing cooks, ordering supplies and trying to see that the men are properly fed.

There's no economy in turning a perfectly good mining man into an indifferent camp steward.

It's far more satisfactory to let the Superintendent put all his time into running the mine and let US run the commissary.

That is our business. We do nothing else.

We take entire charge of feeding your men — supply everything — attend to everything — arrange daily menus — provide all utensils — install competent cooks and helpers — bring up supplies—give your men well-cooked, nourishing, satisfying meals — and relieve your Superintendent of every particle of the commissary work.

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Astoria Rouyn Mines
Limited

Spring development work on the claims of this Company in the Rouyn District of Quebec—particularly on Groups No. 4 and 6—will commence shortly.

Confidence in the successful future for these areas is reflected in the rapidity with which shares in the Company are being taken up.

As the offering is limited, clients are advised to send their orders immediately.

Price: 40 cents per share

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INCREASED CAPITAL FOR GOLD GROUPS TO EAST OF ROUYN

Geological Survey Official Sees Increased Attention Paid These Sections

The following brief summary statement of the results of exploratory investigations that have been made by prospectors and mining companies in Western Quebec, including Rouyn and vicinity, has been furnished by Dr. W. F. James of the Geological Survey.

The year 1926 was an eventful one in the Rouyn district. The desire of the investing public to participate was met by the incorporation of a large number of companies whose object is the development of prospects that appear promising. A large amount of money has thus been provided for the expensive work of development. A great deal of stripping and diamond drilling has been done and in some cases underground work has been undertaken. Every effort is being made to uncover valuable deposits where any indication of their presence can be found.

Use All Methods

There is an inclination on the part of mining people to use all technical methods possible, a decision forced in part by the extensive drift cover, but one that indicates a growing confidence in technical advice. A new departure is the widespread use of electrical and magnetic methods of prospecting for ore bodies, followed by diamond drilling to evaluate mineralized bodies thus indicated. Interest throughout the Rouyn camp is now centred on the discovery of heavy sulphide ores, and gold-bearing quartz veins have become a secondary consideration. It is also to be noted that careful geological work is in most cases preceding any expensive work in the way of development.

Working Along C.N.R.

Areas along the Canadian National Railway have also offered a great deal of encouragement to mine operators. North of Lake Abitibi sulphide deposits have been uncovered and work has been undertaken to prove their value. Whether or not they prove of economic importance, they are at least indications that this area is worthy of careful prospecting.

In the upper basin of the Harricanaw River gold-quartz deposits have been under investigation for several years. On some of these properties high grade gold ore is known to be present, but large tonnages are yet to be shown. Molybdenite is known to be present in considerable amount in this general locality. These deposits are within the Keewatin lavas associated with fairly acid intrusives. In Bourlamaque and Louvicourt townships, where large intrusives cut the greenstones, some chalcopyrite has been observed, and there are areas that merit careful investigation as potential copper-bearing localities.

Gold Section

Gold-quartz deposits occur in Bousquet, Cadillac and Malartic townships and already considerable work has been performed on them. They appear to be of a type that persists in a long zone extending westward to the Rouyn district proper. In Fournier township some very promising gold-quartz deposits have already received preliminary work. This area is now feeling the influence of the increase of capital devoted to mining in Quebec and it is to be expected that during the coming year a large amount of capital will be introduced into these areas outside the Rouyn area proper.

RICH COPPER FIND ON ONTARIO BORDER

Area East of Kirkland Lake is Now Looking Quite Attractive

Marriott Township in Ontario immediately adjoining the Quebec boundary and tying onto the northwest corner of Montbray Township, is attracting an unusual amount of attention at the present time, due to the very important discoveries that have been made. A group of claims controlled by Ottawa interests, and from which some large samples were received ran better than 22 per cent. copper. Development work has been, and is being carried on, and while no mention has been made of this fact, it is definitely known that the results are most encouraging. A mining man who has just returned, having looked over the property, states that the surface ore looks as good as the Noranda ore from the 300 foot level. The development work has opened up an ore body for over 100 feet in length, and has revealed a massive chalcopyrite body for 11 feet in width. Inquiry from the owners has failed to elicit any information about future plans. It is known that a considerable amount of money has been set aside for development, and the owners are now completing arrangements for diamond drilling of the massive ore body which has been exposed through surface work.

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Phone M9810 CALGARY, Alberta

T.O.B. LOOKS TO HAVE EXCELLENT CHANCE AT DEPTH

Shaft Will be Sunk from 1,300 to 1,600-ft. to Open Deep Levels

Tough Oakes Burnside operation looks to have a real chance at depth. Plans have now been formulated to carry operations to deeper levels.

This operation has been somewhat of a heartbreaker. Sufficient ore has been forthcoming to keep the mill going, pay expenses and leave a small balance for additional exploratory work. Some time ago the mill tonnage was stepped up a little and while this has made the mine problem a little more complicated, it has made additional revenue.

The shaft on Tough Oakes has been carried down to 1,100 ft., then an incline shaft or winze has been dropped to 1,300 ft. and it is now proposed to drop a vertical shaft from 1,300 to 1,600 ft. While this may not shape up as the most economical method of opening up the property, it is explained that the different moves taken here have been designed to meet needs as they exist at the time and having due regard for the none too robust financial position of the enterprise.

Much Encouragement

So far, the work on the operation has been fruitful and encouraging, and were it not for one or two sad experiences of the past the venture might be on a much stronger basis to-day. Out of a small section in the sediments and along the porphyry contact over $3,000,000 has been mined. The great mass of the porphyry, which gradually widens as it strikes east from Kirkland Lake Gold, through the other producers, providing bonanza ore, reaches its greatest width, 1,800 ft, on Tough Oakes. It has only been scratched. The southern boundary is yet to be explored.

Practically all the Tough Oakes production has come from what may be called flat veins. This has allowed for quick mining. To-day the tendency of the veins is changing, and steep veins are coming in. The steep veins of the past, it is believed, have suffered by the robbing tendency of the flat veins, but as the flat veins are being left behind with depth the outlook for the steep veins is much improved.

Contrary to other reports, the mill has been handling an increased tonnage for some time and has got up as high as 229 tons daily.

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KERR LAKE CUTS DIVIDEND

Kerr Lake shareholders will get a 6 cent. quarterly dividend instead of a 12½.

OPTION CARSCALLEN GROUP

A Montreal syndicate, headed by Len Smart, has optioned the Bentland-Hurst group in Carscallen Tp., S. W. of Timmins. Very rich gold, including wire specimens, were found on the property.

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There is no question that great profits will accrue to those who invest wisely in mining opportunities in Northern Quebec.
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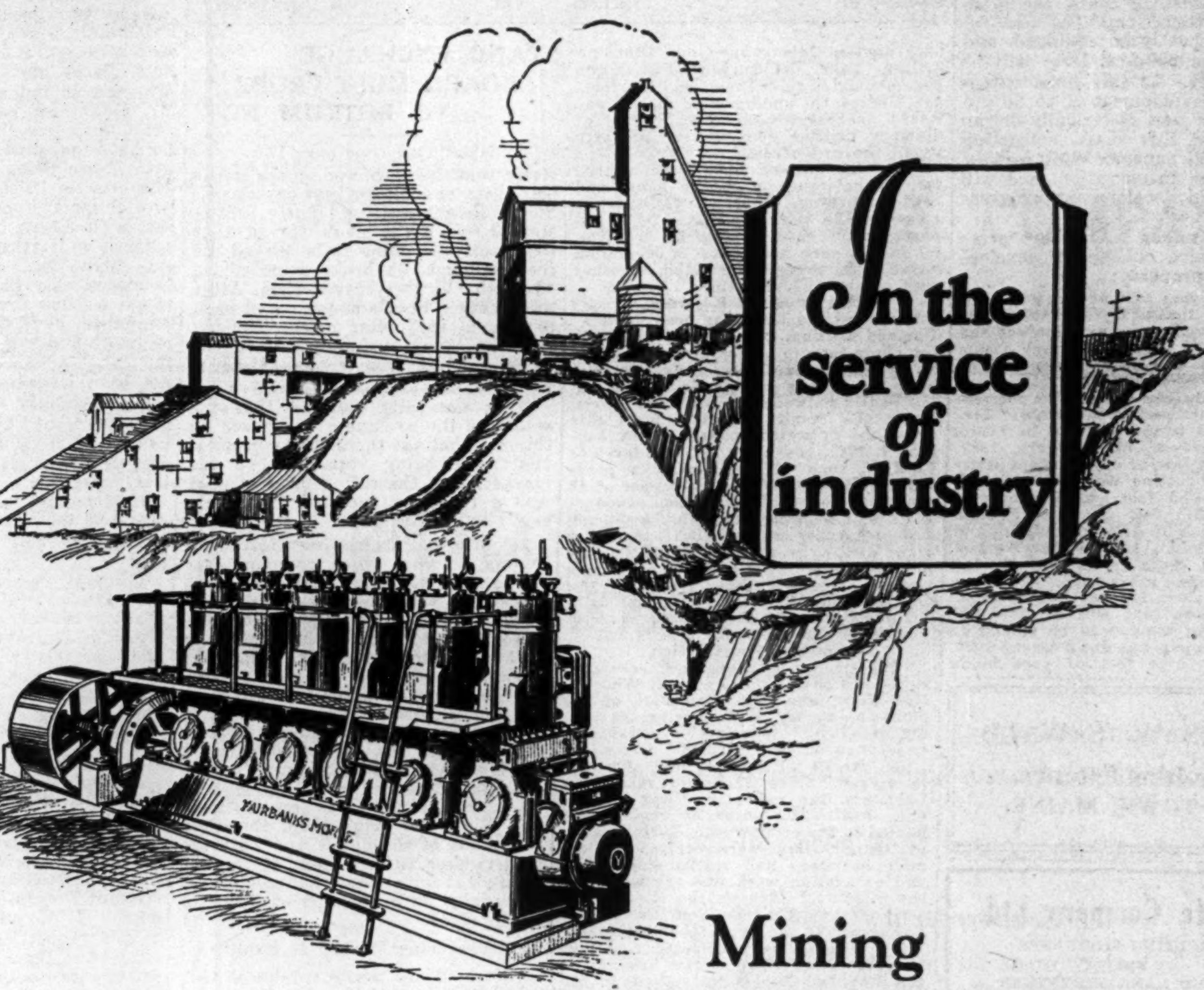
In the service of industry
FAIRBANKS MORSE

Mining
Any true service rendered to industry must be of such a nature as to create genuine and lasting satisfaction. The two following examples will illustrate the satisfactory service we are able to render from time to time to Canadian mines.
About seven years ago, the Premier Gold Mine, situated some 600 miles by waterway from Vancouver, installed two 150 h.p. Fairbanks-Morse Oil Engines. The fact that to-day this mine has 2160 h.p. of these engines in operation is proof positive of the reliability and economy of the product supplied by this Company.
Last year we installed a Kennedy Gearless Gyratory Crusher in the Porcupine Paymaster Mine, which owing to its ability to take ore from the primary crusher and deliver it direct to the ball mill, has eliminated a set of rolls, a tribute to the efficiency of the equipment supplied by us.
To select for Canadian Industry the machinery and supplies that will give the greatest satisfaction, is a part of the service rendered by this Company.
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Pumps. Motors & Generators
Pratt & Cady Valves
Reading Steel Valves
Durabla Packing
Palmetto Packing
Steam Specialties
Pipe & Fittings
Allen Mine Pumps
Machine Tools
Forest Fire Pumps
Transmission Equipment
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Dick's Balata Belting
Strong Traps
Foster Regulators
Mine Cars. Electric Locomotives. Yale Hoists
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Automotive Equipment
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COMPANY-Limited
St. John-Quebec-Montreal-Ottawa-Toronto-Windsor-Winnipeg-Regina-Calgary-Vancouver-Victoria
THE MAKERS OF FAIRBANKS SCALES AND VALVES
334

Management is Key Factor in Investment Trust Success

Eighth Article of a Series on Investment Trusts and Their Place in Canada

By MACKENZIE WILLIAMS, A. E. Ames & Co., Toronto. Copyright, 1927.

We have seen the importance of arranging a proper capital structure for an investment trust; of adopting adequate restrictions regarding investments and of adopting the measures providing for wide diversification of the risks. Vital as these may be, the character and skill of the management far transcends them in importance. No other single factor has such far-reaching effects on the results attained as management.

The directors and officers of the investment trust should be men of unquestioned integrity. They should have practical investment experience. They should be men with well-known conservative tendencies who would regard their relation with the organization and with the holders of its outstanding securities as positions of trust. In their hands will rest the destiny of the institution.

Requirements For Directors

The directorate should have a broad knowledge of investments, not only domestic but foreign as well, and likewise have a broad world-wide outlook on conditions economic, political and social. They should be capable of exercising judicial discretion in their choice of investments and should have no special personal axes to grind. No director having a personal interest in any security being considered as an investment for the trust, should vote on the question of its fitness or acceptance. In the Articles of Association of British investment trusts, a director is required to disclose the nature and extent of any interest he may have in any security under consideration and he cannot vote if personally interested. On the other hand, many directors may have special knowledge of unusual investment opportunities by reason of their relation with other corporations or institutions. It should be a matter of pride and a point of honor with these men to give the investment trust the advantage of such special information. The final decision as to the acceptance or rejection of any security, however, should rest entirely with the disinterested directors.

As we have seen, the trust includes in its investments, domestic and foreign government securities, railroad, public utility and a great variety of industrial issues. Hence the directors should have a knowledge of the character and policies of foreign governments, of the economic conditions in these countries and of the many influences affecting the values of all types of securities. They should be thoroughly familiar with the long term effects of rising or falling interest rates, of rising or falling commodity prices, of trends and developments both favorable and unfavorable, in different industries and in the different countries.

Establish Investment Affiliations

In order to take advantage of outstanding investment opportunities in all parts of the world, the management should, as one of its earliest duties, establish close affiliations, associations or relations with recognized conservative banking houses, investment organizations and other responsible bodies, in all parts of the world. These bodies will be able to direct the attention of the investment trust's officials to railroad, public utility, industrial, government and municipal securities of high investment merit which may, for the time being, be available at rates which could not be equalled for similar securities in the home office territory.

Moreover, it will be promptly recognized by anyone making an investigation, as it is thoroughly well appreciated by those familiar with international investments, that economic conditions at any given time vary widely from country to country. In some countries, as in the United States and Canada to-day, there have been broadly satisfactory or improving economic conditions. These have been the basis of extraordinary security market buoyancy in which all classes of investments have participated. No one in Canada charged with the investment of important funds to-day should think of buying securities at present levels without the closest scrutiny of all the conditions surrounding each individual security. On the other hand, there are at the present time, very satisfactory opportunities for selling or realizing on some securities purchased at the substantially lower levels which prevailed two or three years ago.

Always Bargains Somewhere

In some other parts of the world, while economic conditions are perhaps momentarily not as satisfactory, there may, nevertheless, be numerous sound investments which, on account of the temporary conditions, are available at much lower than normal levels. Somewhere throughout the world at any given time, bargains are available.

The chart herewith is given as an illustration of the high level of security prices which now prevail in some parts of the world, such as Canada and the United States. It emphasizes the vital necessity for the great care which should be exercised by buyers of securities in these countries, where the search should be largely confined to the discovery of plainly undervalued issues and securities for which there is, for some special reasons, a definitely improving outlook.

High Level Due to Easy Money

The levels reached by securities in these countries in the present period have been based in a large degree on the great abundance of money in banking channels and the great purchasing power of the masses in both countries. Money is still plentiful, but the general level of prices does at least indicate that caution and discretion should predominate when securities are being considered lest the overvalued securities, with no further inherent possibilities at the moment, be purchased.

Another condition frequently met with is that securities of equal investment values may be available in different markets at very different levels. By close associations and relations with those familiar with international markets, the investment trust should be able to take advantage of such situations.

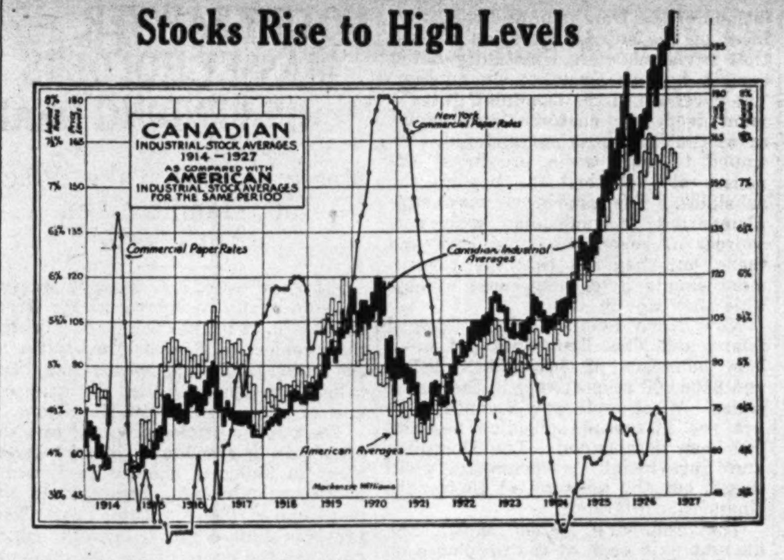
An interesting example of this nature was seen late in 1926. In London an issue of £6,000,000 City of Tokyo bonds were offered at 83½ to yield 6.70 per cent., while in New York, a syndicate about the same time offered $19,700,000 City of Yokohama bonds at 93 to yield 6.50 per cent. So great was the demand for the bonds offered in the New York market, that they were shortly selling at 96, a disparity between the two issues of about 12½ points, or $125 per $1,000. Moreover, the bonds were almost identical in investment merit, as both were guaranteed by the Imperial Japanese Government; were of 35-year maturity; had like sinking fund provisions and were issued for precisely the same purposes.

Private Investor Misses Chances

Such opportunities which are frequent enough for those having close contacts with the markets are, in practice, seldom available for the private investor. They are commonly available to institutions whose sole business is the search for undervalued investments. This is one of the underlying reasons for the very satisfactory profits which are made by properly run investment trusts. This example serves to emphasize the importance of having a directorate with thorough-going familiarity with good investments not only local but international.

The directorate and management of an investment trust if properly chosen will, unquestionably, bring to its security holders the benefits of applied expert knowledge of such specialized character as would be quite impossible for any but the largest private investors individually to procure. Not only should directorate and officials be composed of men with this special fitness for the selection and management of investments, but the investment trust will be able and should, in addition, command and have available the services of the best statistical organizations and services in the world, costing hundreds or thousands of dollars per annum. These would be beyond the means of any but the largest private investors. The clerical staff of an investment trust may be very small, but it should be of the highest calibre.

Stocks Rise to High Levels



High levels have been reached by Canadian and American securities due chiefly to low money rates. Mr. Williams' article indicates that high security prices indicate the need for experienced and cautious investment such as is provided in investment trust.

Time Ripe for Reciprocity Declares New York Times

The Democratic New York Times is inclined to welcome Premier King's reciprocity overtures, although Washington, now Republican in aspect, is chilly. Says the Times:

On Friday, announcement was made by the Canadian Prime Minister that his government favors a policy of reciprocal trade agreements with the United States. On Saturday, the Administration at Washington seemed to feel cold chills running down its spine at the very mention of the subject. If Prime Minister King put out his statement as a "feeler," he has already found the United States Government not only unresponsive but distinctly hostile. This may have caused surprise to Mr. King, since he probably had in mind the successful working of the reciprocity treaty between Canada and the United States of seventy years ago, recalled President Taft's efforts to bring about its renewal in 1911, and remembered the many solemn declarations of the Republican Party in favor of mitigating the severity of a high tariff by reciprocity treaties. But that is a policy which we have bravely got over.

Prime Minister King may not be aware of it, but under President Coolidge the protective tariff has become a sacred thing, a magical wonder-worker, which must not be touched by a sacrilegious finger. Besides, there is a new political reason just now for tabooing even a discussion of the tariff. If the tariff were to be "opened" at the session of the next Congress just before a Presidential election, unnumbered evils would flow through the fatal gap. The Republican farm bloc might rush through the breach, in order further to disturb the heavenly harmony of the Grand Old Party. So the first answers made to Mr. King from Washington are chillingly negative.

A different attitude would be taken by business men, bankers, exporters and others directly interested in trade with Canada. They see the advantage, and believe that others will soon see the necessity of suitable trade arrangements with the Dominion. In them there would be gain for the citizens of both countries. If free trade across the imaginary boundary lines of our States is profitable to both buyers and sellers, how can it be doubted that commerce intelligently promoted across the Canadian border, invisible as it is along so many hundreds of miles, would be equally to the profit of those engaged in it?

It is a further question whether the United States can afford to reject out of hand any proposals of this sort which the Canadian Government, through its new Minister in Washington, may make. The time may come when we shall need trade favors from Canada even more than Canadians need them from us. It is well known that bills have been introduced in the Parliament at Ottawa which contain a tacit threat of trade reprisals. These have been kept back by the Canadian Government, but may be brought forward if the Government at Washington stubbornly refuses even to consider any relaxation of our tariff rates that bear hard on Canadian products. If our Government thinks that reciprocity with Canada would be a bad thing, it must admit that a trade war would be worse. This is something which both nations should strive to avert. One good way to avert it is for the two to sit down together and work out a plan for a profitable exchange of the products which one has and the other desires. To take fright at the mere word "reciprocity" by the Canadian Prime Minister is not a crime, but it may prove to be something more of a reproach to our statesmen—namely, a blunder.

Saint John Clearing House

The officers of the Clearing House Association in Saint John, N. B., for the year 1927 are as follows: W. A. Fisher, chairman (Dominion Bank); R. B. Buchanan, vice-chairman (Canadian Bank of Commerce); W. G. Bedford, sec.-treas. (The Standard Bank of Canada); W. H. Stewart, manager (Bank of Montreal).

Besco Situation Causes Security Price Index Change

The Dominion Bureau of Statistics index number of common stocks, weighted according to stock outstanding (1913 equals 100), has been revised and improved so as to more fully represent conditions in the investment market. The chief change relates to the "Iron and Steel" and the "Iron and Steel Products and Construction" groups. These two have been amalgamated into one group which will be designated the Iron, Steel, and Iron and Steel Products group. Included in this group are the following stocks: Steel of Canada, Canadian Car and Foundry, Canadian Locomotive, Dominion Bridge and Ontario Steel Products.

The situation of British Empire Steel stocks present a difficulty to the maker of security price index numbers, but it is thought that the general situation is more accurately presented in an index which omits those.

It should be remembered that future index numbers portray the movement of stock prices from the long run or investor's point of view because of the method of weighting, i.e., amount of stock outstanding. The Bureau's index number of the twenty-five best selling common stocks on the Montreal and Toronto exchanges, weighted according to daily stock sales, portray the market movement from the speculative point of view.

Stanfield's Ltd. Looking for Better Business

That business in Canada is considerably better than a year ago and much better than two years ago is the opinion of L. M. Christie, sales manager for Stanfield's, Ltd., who returned recently to Truro, N.S., from a two months' trip across the continent, his annual visit to the chief trade centres of the Dominion.

Stanfield's sales showed a substantial increase last year and Mr. Christie looks for still better business in 1927. Stanfield's underwear stands better than ever in all parts of the country, which is saying a good deal, and the new line, Novasilk, is rapidly gaining in popularity.

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F. N. Burt Company, Limited

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31ST, 1926

Statement of Profit and Loss and Surplus

Profits for the year before providing for Depreciation, etc.		$ 664,727.30
Deduct:		
Provision for Depreciation of Plants	$ 138,843.69	
Written off Patents	25,694.98	
		164,538.67
Net Profits for year before providing for Federal Taxes		$ 500,188.63
Dividends:		
Four Quarterly Dividends on Preference Stock at the rate of 7% per annum	7,649.25	
Four Quarterly Dividends on Common Stock at the rate of 12% per annum	316,887.00	
		324,536.25
Balance of Profits		$ 175,652.38
Surplus brought forward January 1st, 1926	$1,146,403.08	
Less:		
Provision for Federal Taxes	100,000.00	
		1,046,403.08
		$1,222,055.46
Deduct:		
Written off Goodwill Account		534,775.47
Surplus Carried Forward		$ 687,279.99

Statement of Assets and Liabilities—December 31st, 1926

ASSETS

Real Estate and Buildings	$ 980,331.39	
Factory Building under Construction	433,287.84	
(Balance of Contracts, payable as work is completed, $170,533.22)		
Plant, Machinery and Equipment	1,943,414.12	
Investments in Other Companies	176,931.81	
		$3,533,965.16
Goodwill		1.00
Patents:		
Original Cost	441,587.03	
Less Amortization	245,125.50	
		196,461.53
Balance of Sale Price of Paper Cup Dept. (payable in five annual instalments, beginning 1928, principal and interest guaranteed)		250,000.00
Merchandise	753,047.05	
Accounts and Bills Receivable, after providing for Bad and Doubtful Debts	373,485.66	
Marketable Securities	18,255.00	
Cash at Banks and on Hand	215,109.21	
		1,359,896.92
Prepaid Expense		57,627.68
		$5,397,952.29

LIABILITIES

Capital Stock Issued:		
7% Cumulative Convertible Preference Stock	$ 98,500.00	
985 Shares of a par value of $100.00 each.		
Common Stock	2,651,500.00	
106,060 shares of a par value of $25.00 each.		
		$2,750,000.00
Dividends payable January 3rd, 1927:		
On Preference Stock	1,732.50	
On Common Stock	79,530.00	
Accounts and Bills Payable	277,116.38	
		358,378.88
Reserve for Federal Taxes		196,247.09
Reserve for Depreciation		1,406,046.33
Surplus		687,279.99
		$5,397,952.29

AUDITORS' CERTIFICATE

We certify that the above Statement of Assets and Liabilities is in accordance with the books of F. N. Burt Company, Limited, and, in our opinion, correctly states the position of the Company.

CLARKSON, GORDON & DILWORTH, Chartered Accountants.

Board of Directors—S. J. Moore, A. E. Ames, F. N. Burt, James Ryrie, Alfred Jephcott, William Findlay, H. S. Duell, C. W. Colby, and M. R. Cass.

Officers—S. J. Moore, President; A. E. Ames and F. N. Burt, Vice-Presidents; E. G. Baker, Secretary, and W. N. McLeod, Assistant Secretary.

Dominion Subsidies to Provinces Require $12,200,000 Yearly

Payment of lump sums to each of the three Maritime provinces as increased subsidies from the Dominion government is one of the promises made by Premier King in the House of Commons the other day. These subsidy increases, if maintained from year to year, will represent very sizeable additions to the revenues of these provinces and will go far to enable them to balance their budgets and reduce taxation.

Provincial subsidies from the federal government are a little understood subject. The total amount of these subsidies has grown very considerably and now the Dominion government pays out over $12,000,000 annually of its revenue to help maintain provincial government administration. In the first year of confederation the sum paid was only $2,753,966.

Started With Confederation

Provincial subsidies had their origin in the Confederation Pact. When the provinces united they delegated to the Dominion government certain sources of revenue that had formerly been under provincial jurisdiction—for instance, customs and excise taxes. When each of the provinces was a separate colony or nation, it was free to levy its own customs and excise duties, but when all joined in the Dominion of Canada, the central government assumed the power of collecting these taxes and duties. But the provincial governments had to have a source of revenue to pay the expense of maintaining their system of government and the federal government granted each of the provinces entering a confederation an annual subsidy in lieu of these taxes. Subsidy was a certain sum per capita. In addition, an estimate of what would be a reasonable debt for each province, based upon the assets it brought into Confederation, was made and where the debt that the central government had to assume was less than what would have been reasonable, an annual debt allowance was made to the province.

Changed From Time to Time

From time to time, the various provincial subsidies have been revised to suit special circumstances. In 1907, they were given a general overhauling. Sir Wilfrid Laurier at that time stated that the record of the relations of the Dominion and the provinces on the subsidy question showed that revisions were constantly being sought by one province or another. The revenues of the Dominion government from the customs and excise taxes that had been surrendered, continued to soar while provincial expenses also climbed far beyond the subsidies. The provinces were supplementing the subsidies with new sources of revenues, found here and there, but they felt that the government should give them more money. This they got in 1907.

Now Nova Scotia, Prince Edward Island and New Brunswick get lump sum increases of $875,000, $125,000 and $600,000 respectively in their subsidies. Whether they will continue to get the increased subsidies has not yet been determined. The Dominion and provincial governments will thresh out the question at their next financial conference.

The following table shows the amount paid each of the provinces on account of subsidy in the last fiscal year, to March 31, 1926:

Subsidies to Provinces	When Granted	Amount $
Ontario—		
Allowance for government and local purposes	1907	240,000.00
Year's subsidy on population 2,933,662 (Census 1921) 2,500,000 at 80c. per head and 433,662 at 60c. per head	1907	2,260,197.20
Year's interest on debt allowance of $2,848,289.52 at 5%	1884	142,414.48
Total		2,642,611.68
Quebec—		
Allowance for government and local purposes	1907	240,000.00
Year's subsidy on population of 2,361,199 at 80c. per head (Census 1921)	1907	1,888,959.20
Year's interest on debt allowance of $2,549,213.60 at 5%	1894	127,460.68
Total		2,256,419.88
Nova Scotia—		
Allowance for government and local purposes	1907	190,000.00
Year's subsidy on population of 523,837 at 80c. per head (Census 1921)	1907	419,069.60
Year's interest on debt allowance of $1,055,433.64 at 5%		52,771.68
Total		661,841.28
New Brunswick—		
Allowance for government and local purposes	1907	180,000.00
Year's subsidy on population of 387,876 at 60c. per head (Census 1921)	1907	310,300.80
Indemnity for loss of export duty on lumber	1873	150,000.00
Interest on debt allowance of $529,299.39 at 5%		26,464.96
Total		666,765.76
Manitoba—		
Allowance for government and local purposes	1907	190,000.00
Year's subsidy on estimated population Jan. 1, 1924, of 651,200 at 80c. per head	1907	520,960.00
Indemnity in lieu of public lands $562,500, less $153,492.82, being one year's deduction of 5% on $2,769,856.66 swamp lands and $300,000 university lands	1912	409,007.18
Year's interest on debt allowance of $7,631,683.85 at 5%		381,584.18
Total		1,501,551.36
British Columbia—		
Allowance for government and local purposes	1907	190,000.00
Year's subsidy on population of 524,582 at 80c. per head (Census 1921)	1907	419,665.60
Compensation for lands for Canadian Pacific Railway	1871	100,000.00
Year's interest on debt allowance of $583,021.40 at 5%	1884	29,151.06
Total		738,816.66
Prince Edward Island—		
Allowance for government and local purposes	1907	100,000.00
Year's subsidy on population of 109,078 at 80c. per head (Census 1891)	1907	87,262.40
Compensation in lieu of crown lands	1903	45,000.00
Year's interest on debt allowance of $775,791.83 at 5%	....	38,789.58
Year's additional subsidy	1888	20,000.00
Year's additional subsidy	1901	30,000.00
Year's additional subsidy	1912	100,000.00
Total	....	421,051.98
Less—Interest on land purchase account, 5% on $782,402.33	....	39,120.10
		381,931.88
Alberta—		
Allowance for government and local purposes	1907	190,000.00
Year's subsidy on estimated population Jan. 1, 1924, of 645,700 at 80c. per head	1907	516,560.00
Year's interest on debt allowance of $8,107,500 at 5%	1906	405,375.00
Allowance in lieu of public lands	1906	562,500.00
Total		1,674,435.00
Saskatchewan—		
Allowance for government and local purposes	1907	220,000.00
Year's subsidy on estimated population Jan. 1, 1924, of 828.600 at 80c. a head	1907	662,880.00
Year's interest on debt allowance of $8,107,500 at 5%	1906	403,375.00
Allowance in lieu of public lands	1906	562,500.00
Total		1,850,755.00
Grand total		$12,375,128.50

WHETHER it be an architectural piece, ornamental bronze fixture, decorative wrought iron fitting or an electrical fixture, its utility will be graced by an air that has won a place for Mitchell Metalcraft in the leading public buildings throughout Canada.

Architectural Bronzes
Frink Lighting Equipment
Wrought Iron Fixtures

The ROBERT MITCHELL COMPANY-LIMITED
MONTREAL

New Issue

CREDIT ANGLO-FRANCAIS LIMITED
MONTREAL-QUEBEC

$175,000
1st Mortgage Gold Bonds
5½%, Maturing from 1 to 20 Years

HOMEOPATHIC HOSPITAL
OF MONTREAL

Trustees: Montreal Trust Co.

Subsidized by the Government of the Province of Quebec.
Issue: April 1st, 1927. Maturing: Serially from April 1st, 1928, to April 1st, 1947.

Denominations: $100, $500 and $1,000 — registerable as to principal only.

Capital and semi-annual interest (April and October) payable at the Royal Bank of Canada at Ottawa, Montreal, Quebec or Toronto. Redeemable in whole or in part on any interest date after five years at 102.

GENERAL: The Homeopathic Hospital of Montreal was founded in 1894. The governors are business and medical men of outstanding integrity and ability. The new undertaking is one of public necessity, the City of Montreal being in great need of more adequate hospital accommodation. The new hospital will have 102 beds.

SECURITY: The bonds of the present issue are secured by a 1st mortgage on the hospital, the physical assets of which, when completed, are estimated at $500,000, approximately $300,000 having been obtained from private sources, this amount represents a cash equity of over 50% behind the bond issue.

QUEBEC GOVERNMENT SUBSIDY: By an order in Council dated October 5th, 1926, law 11, Georges V., Chapter 79, the Province of Quebec has agreed to pay to the Homeopathic Hospital of Montreal, the interest and sinking fund on $50,000. This grant has been pledged to the Trustees as additional security for the bondholders.

INSURANCE: Sufficient insurance will be carried to cover the entire bond issue.

INCOME: With a minimum occupancy of 75%, it is conservatively estimated that yearly income will be over $120,000.

WE RECOMMEND THESE BONDS FOR CONSERVATIVE INVESTMENT

These bonds are offered if, as, and when issued and received by us, and subject to the approval of all legal proceedings by Messrs. Markey, Hyde & Ahern, Montreal.

All notarial Acts, Trust Deed, etc., are prepared by the firm of W. de H. Marler, N. Ps. of Montreal.

The definitive bonds will be ready for delivery on or about the 15th of May.

Price: Par and Interest to Yield 5½%

Credit Anglo-Francais, Limited

99 St. James St., Montreal
Tel. Harbour 5256-7

132 St. Peter St., Quebec
Tel. 2-6427-28

J. P. KEMPF, *President*

NOTIFY SAWYER MASSEY HOLDERS OF PENDING DEAL

Meeting Will Take Place at Hamilton on April 19th

Proposed sale of Sawyer-Massey Co. to a syndicate known as the Grosvenor Co. will be voted on by the shareholders of Sawyer-Massey Co. at the annual meeting which has been called for April 19th at the head office of the company in Hamilton.

The outline of the proposal and the accompanying memorandum of agreement in blank is exactly as forecast in an exclusive announcement in the last issue of The Financial Post. This provides that a new company, which may use the name of the old company in its charter, will assume the assets and liabilities of the old company, and will give in payment therefor 16,500 shares of no-par value common stock of the 50,000 to be issued in the new company. The purchasers also agree to put $600,000 cash into the company as a first mortgage five per cent. bond issue. It is stipulated that the new company will not have any debts except those incidental to the reorganization proceedings.

The balance sheet which accompanies the notice to shareholders is confirmatory of the figures already published. The operating loss for the year was $96,012, less $13,437 saved on bonds redeemed. Bond interest of $8,880, bond flotation expense of $4,270, and obsolete stock written off to the value of $4,858 brought the net loss to $90,583. The total debit of profit-and-loss account now stands at $1,112,171.

Will Retire Bonds

Remaining outstanding bonds of the company will be retired on the due date, April 1st. At November 30th last, the close of the company's fiscal year, only $71,481 of these bonds of the original issue of $799,600 remained outstanding, and it is understood that the bulk of the balance since have been bought in.

The principal liability of Sawyer-Massey Co. is nearly $2,000,000 owing its bankers, and $49,000 of accounts and bills payable. An issue of $2,000,000 of debenture stock is held by the bankers as collateral under the Bank Act. There are 15,000 shares of preferred and 15,000 shares of common, both of the par value of $100. The last dividend on the preferred was paid in June, 1914. The preferred occasionally was traded at around $5 the share, but since the announcement of the proposed sale, the market value of this stock has been rising rapidly, with few trades recorded. The common in recent years has been selling at around $1. It is now considered worth about $3.

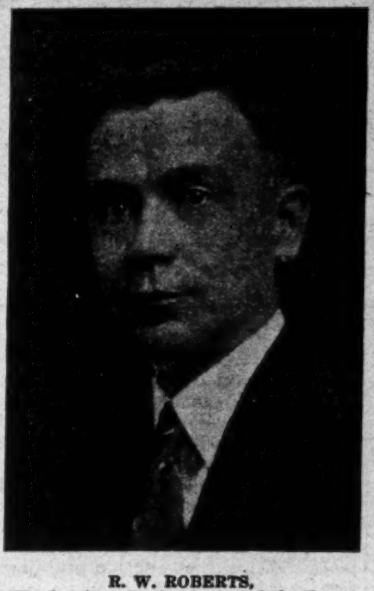
Assets of the Sawyer-Massey Co. include notes and accounts receivable to the value of $1,246,953. Manufactured goods, etc., are valued at $702,332. The company's fixed assets, including factory and branch houses, buildings, real estate, etc., are shown at the appraised value of $2,398,928 in 1920. The company's auditors note that there has been no depreciation written off in the last six years. The reserve for depreciation stands at $416,761. Goodwill, trademarks, etc., are valued at $200,000.

Will Keep Old Name

It is understood that the group who propose purchasing the business as a going concern, will secure letters patent for continuance of the business under a name similar to that which is well known in the trade and agricultural communities. With new money to the amount of $600,000 put into the business, it is anticipated that the gross business can be increased to well beyond the $1,250,000 which is considered the minimum at which the company can be operated profitably.

Identity of the group proposing the buy the company probably will not be revealed until the sale has been ratified by the shareholders. It is understood, however, that the group is allied in some way with a company which is in position to manufacture or buy heavy-duty gasoline motors advantageously. Sawyer-Massey Co. has had franchise rights in Canada for the Wallace tractor.

The new company will concentrate on the manufacture and marketing of threshing machines, tractors and road machinery. The company is favorably known for the quality of these products. Eventually it is expected that articles new to Canadian manufacture will be introduced. All of the plant at Hamilton, as well as the branch houses in the west, will be utilized except one three-story building adapted especially for wood-working. It is said that the purchasers have made a tentative agreement with another company for the lease or sale of this building and equipment for wood-working of a kind not heretofore done in Canada.



R. W. ROBERTS,
Who has been in the employ of the Trusts and Guarantee Company for many years, during which he has secured a broad knowledge of trust company work, has been appointed manager of the company's branch at Brantford.

Establish Moratorium for Manitoba Municipal Debts

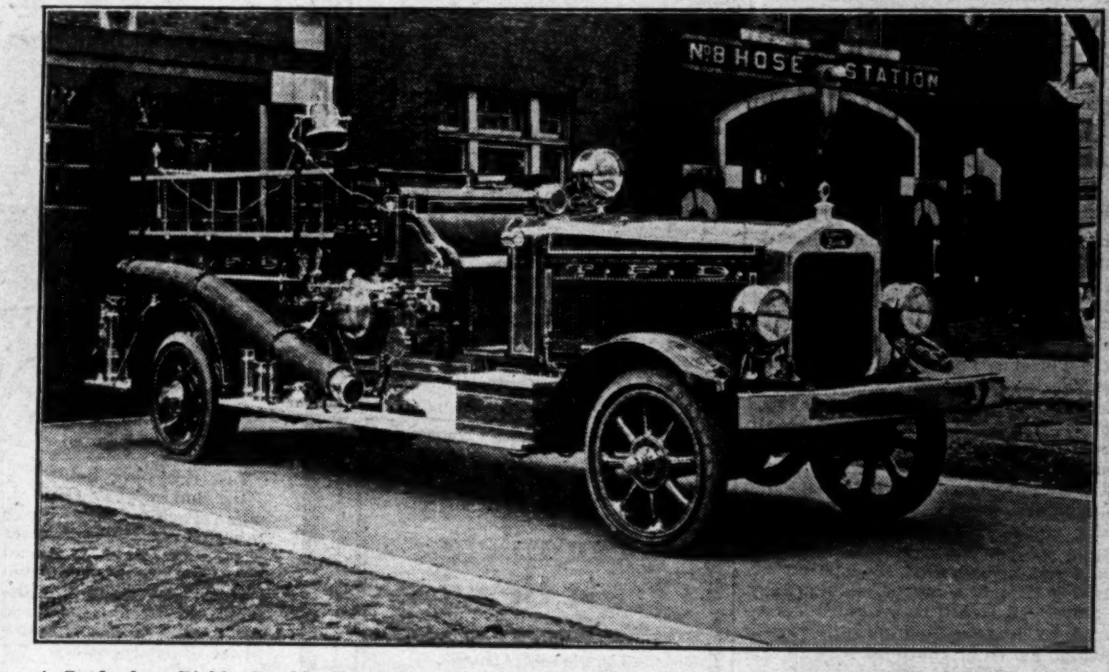
Financial troubles of the municipalities of St. James, St. Vital and West Kildonan, all in the province of Manitoba, have been amicably settled by the establishment of a moratorium on principal for thirty years of the bonded indebtedness by an agreement arranged by the Winnipeg Suburban Municipal Board with the bondholders. The town of Transcona gets a straight two per cent. reduction, the interest rate being cut down to four per cent., while that of St. Vital and West Kildonan will be reduced to 5½ per cent. on all bonds which call for a greater amount. St. James will benefit to the extent of one-half of one per cent. of interest on the government bank overdraft.

The gross bonded indebtedness of the municipalities amounted to $7,543,000, the government guaranteed load standing at $890,000, and the housing loans at $1,600,000. Sinking funds are to be started by St. James in 1929, of $50,000 a year and in St. Vital in 1930, of $10,000 a year. In the case of West Kildonan, the establishment of a sinking fund is left to the jurisdiction of the council, the supervisor and the appeal board. Half of the net surplus over operating expenses is to be set aside from 1930 on for the purpose of creating a sinking fund.

DOMINION BRIDGE CO.
LIMITED
Montreal, P. Q.
ENGINEERS, MANUFACTURERS *and* ERECTORS *of* STEEL STRUCTURES

HEAD OFFICE AND WORKS: Lachine Locks, P.Q. P.O. Address, Montreal, P.Q.
BRANCH OFFICE AND WORKS: Toronto, Ottawa and Winnipeg.

Sales Offices: Montreal, Ottawa, Toronto, Winnipeg, Regina, Edmonton, Vancouver.



A Gotfredson-Bickle Combination 1,000-gallon Pumper, first of five being delivered to the City of Toronto.

Municipal Officials!
Investigate
Gotfredson-Bickle Fire Fighting Apparatus

USERS
TORONTO
FORT WILLIAM
CAPREOL
KINCARDINE
KENORA
HALIFAX
MIDLAND
PORT COLBORNE
WHITBY
BOWMANVILLE
SCARBORO
WELLAND
MIMICO
HUMBER CREST
PARIS

To those interested in the newest and most efficient types of fire fighting apparatus we say: —

"Before committing yourselves to another dollar's worth of expenditure, investigate Gotfredson-Bickle equipment."

All Canadian made; endorsed by experts everywhere; — see list of users on the left. Demonstrations given gladly.

Backed by a $5,000,000 Canadian Enterprise
Gotfredson Corporation Limited
WALKERVILLE, ONT.

Factory Branch
242-44 Spadina Ave.,
Toronto

Gotfredson

Montreal, Hamilton
London, Quebec
Ottawa

Fort Erie Recalls When Town Was Distributing Center for Middle West

Opening of Peace Bridge is Expected to Revive Commercial Importance of One of Early Settlements of Upper Canada

By J. GEORGE JOHNSTON.

Fort Erie, Upper Canada, prior to 1825, was of greater commercial importance than Buffalo, N.Y. The village, which grew in population hardly at all for a century, was the shopping community for Buffalo and the distributing point for manufactured goods and imported articles for the western end of New York state, the rude settlements along the Upper Lakes, the Ohio valley and a great part of that portion of Upper Canada lying farther west.

Fort Erie was on the water route. There was a series of long portages between Albany and Buffalo, while the only portages between Montreal and Fort Erie were around the St. Lawrence rapids and between Queenston and Chippawa around Niagara Falls. Trade follows the line of least resistance; transportation expense is the principal resistant to the flow of trade.

Erie Canal is Hurtful

Commercial importance of Fort Erie waned with the opening of the Erie Canal. Buffalo and what was then western wilderness settlements of the United States, began to get their goods from New York and the Hudson. Fort Erie, along with the prosperous settlements of Chippawa and Queenston, sustained another blow when the first Welland canal obviated the steep fifteen-mile portage over the escarpment of Niagara.

Advent of the railroads gave the old town of Fort Erie a new lease of life. The Huron and Erie railroad, from Goderich to Fort Erie, established a car ferry from the shadow of the fort to the foot of Porter Avenue, Buffalo, and the Erie & Niagara railway obviated the use of river craft by building a line from Niagara-on-the-Lake to Waterloo, which was the name of the civil settlement two miles south of the military establishment. The Huron & Erie railway had connections with, and later became a part of, the Grand Trunk system, and the Erie & Niagara became a branch of the Canada Southern, now the Michigan Central line of the New York Central.

Is Railway Terminal

With two important railways operating car ferries, Fort Erie again took on the semblance of the commercial importance of the pre-canal days. But it was not for long. The Grand Trunk in 1872 opened its railway bridge a mile down the river from the nearest ferry. The car ferries were moved to Windsor. The only road traffic was local. The only business for the passenger and vehicle ferry was local. Buffalo became a metropolis; Fort Erie remained a village.

This year the Peace Bridge, a vehicle bridge, will be opened to traffic. The automobile has restored much commerce and travel to the highway. The supersession of the ferry by the bridge will, it is expected, restore to the old town of Fort Erie much of its former economic glory.

Old Books Are Diverting

The stranger visiting Fort Erie in the early years of the present century might have doubted if Fort Erie ever could have been anything but a border community born of military activity and continuing to exist merely through inertia and because some of its people got work on the railroads crossing the river at Buffalo and others in the factories and offices of the city across the river.

In confirmation of the fact that Fort Erie once was a highly important commercial centre—a fact which the compilers of history have almost completely ignored—are a bale of century-old account books recently found in the attic of the old Lewis home, which was also hotel, post office, jobbers' establishment, and retail emporium from a few years after the War of 1812, until a generation ago. These cash books and ledgers not only attest that their owners did business in a large way, not deterred by distance of those days, but also are diverting in their suggestions of ways, means, methods, and prices, compared with conditions of the present.

An account book sans cover which recently has come to light shows that on January 1, 1822, one Solomon Traffick a Fort Erie merchant, was fairly well off in the goods of this world. The following is quoted verbatim:

"Inventory of the money, goods and debts, belonging to me, Solomon Traffick, taken this day, viz.

	£	s.
"In ready money	5,000	
"7 pipes red port at £25, 10s. per pipe	178	10
"10 hhds. tobacco, at £12 per hhd.	120	
"6 pieces Colchester baize, at £7 12s. per piece ...	45	12
"8 pieces broadcloth at £15 per piece	120	
"20 pieces Holland at £7 5s. per piece	145	
"John Darlow owes me a note on demand	200	
"Peter Morton owes me upon bond, on demand at £5 per cent.	500	
"Charles Snow owes me .	700	
"I owe as follows:		
"To John Turner, per note, due 9th inst.	100	
"To Richard Hale, on demand	50	
"To John Hatfield	400	
"To Thomas Griffiths	120"	

Working Capital Large

Thus the merchant had a working capital of £6,339 plus two shillings. His larger operations in the following few months are recorded in the same slim volume.

On January 7th he borrowed £500 of Samuel Mason at 4 per cent.—perhaps Mason had it for loaning purposes—and on the 9th he paid John Turner the £100 due on note. On the 27th Peter Morton paid him, with interest of £7 10s., the £500 due. On February 8th, Mason gave him £500 back with one month's interest.

There are various items concerning the sale or exchange of wine and tobacco which indicate, by the amounts, that the transactions between wholesaler and retailer, or jobbers, rather than that the buyers were buying for the consumption of their household. It is not possible to determine if the buyers are merchants in the vicinity or whether the shipments were forwarded farther west.

Sailwell Doesn't Sail Well

But at least one series of transactions show the extent of the trade carried on by this early merchant. The first item of interest in this regard is as follows:

"Shipped on board the Sailwell, Captain John Bridges, consigned to factor Peter Allen at Amsterdam, to sell for my account the following, marked and numbered as per margin, viz:

"10 hhds. tobacco at £12 per hhd., £120.

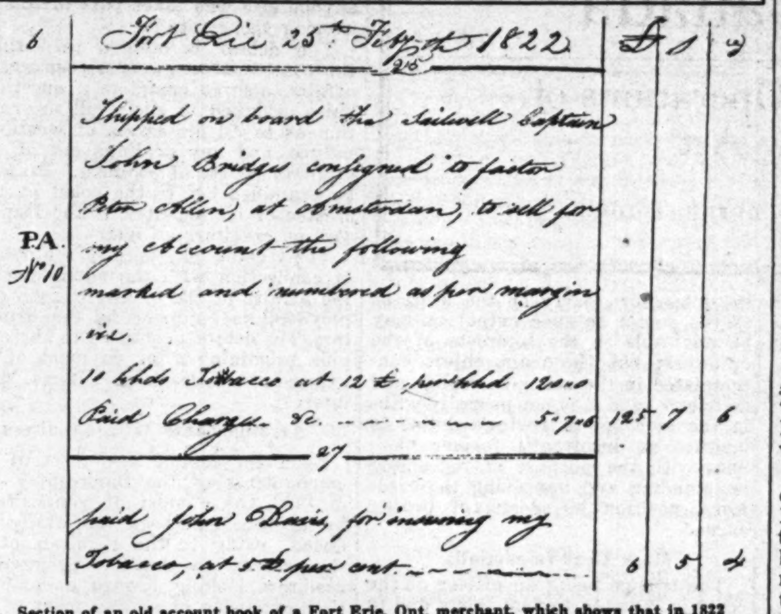
"Paid charges, &c. £5/7/6—£125,-7s. 6d."

That was on February 25, 1822. On March 5th, the ship evidently having not sailed, Traffick "lent John Bridges of the Sailwell, bound for the Havana, £100 upon bottom of the said ship to be paid upon at her safe return £120." Under date of March 6th, Traffick had insured his interest in the Sailwell for £120 and paid "at the office" £9/12 premium.

On April 3rd, the tobacco shipped to Amsterdam at total cost of £125-7/6 had been sold at a net price to Traffick of £170/10.

On April 9th, it is recorded that "Ship Sailwell, on which I had insured £120, is cast away in her voyage home. I have, therefore, received at the office on that account: £120."

When Fort Erie Merchants Traded With World



6 Fort Erie 25th Feby of 1822 £

25

Shipped on board the Sailwell Captain
John Bridges consigned to factor
Peter Allen, at Amsterdam, to sell for
P.A. No 10 my Account the following
marked and numbered as per margin
viz.
10 hhds Tobacco at 12 £ per hhd 120 0 0
Paid Charges &c. 5 7 6 125 7 6

27

paid John Davis, for insuring my
Tobacco, at 5 £ per cent. 6 5 4

Section of an old account book of a Fort Erie, Ont. merchant, which shows that in 1822 he shipped tobacco to Amsterdam. The account book indicates that Fort Erie was the gateway to the west 100 years ago.

It would almost seem that the merchant had foreseen that this vessel would be lost after, and not before, it had carried his cargo of tobacco to its destination where it was sold at a profit.

Solomon Traffick had a fairly good book-keeper, whom he paid £25 every three months. But a merchant doing business on the scale of this frontier business man, needed his accounts kept straight, and anyone who examines the books now can be grateful that they were kept legibly.

Otherwise it probably would not be known that the detail of transactions with merchants in Bristol, Lisbon, Amsterdam and Leghorn, between January 1, 1822, and March 7, the same year, netted Traffick something like £1,200 increase in working capital, although his cash on hand was £70 less than on the preceding January 1st.

It is not known if his venture in "South Sea stock" which cost him £730 after he had forfeited £2/10 for an earlier option, was successful. Salesmen were persistent even in those days. Neither is it known how his investment of £800 for a third interest in the ship Neptune resulted and it should be recorded that his improved position was partly due to his receipt of a gift of £500 from "my uncle Payne."

Gift From His Uncle

Solomon Traffick may have been the overastute business man indicated by his insuring a vessel at a profit when aforementioned vessel was likely to be cast away, but as is evidenced by his receipt of £500 from "my uncle Payne" he was not cold-blooded in his relations with others. Not many modern books would contain items of this purport:

"Jonas Careful, refusing payment of Jonathan Dubois's bill on him for £200, I paid it for the honor of the drawer, with charges of protesting: £200/7/6." And another item is: "Gave Joseph Bennet, as an acknowledgement of his fidelity, a bank note valued: £20."

The other account books which have come to light are mostly cash books. From these it may be inferred that the business, of which John Lewis had become the proprietor, had assumed more of a local character, with the tavern feature predominating. The military evidently were the principal patrons of the place and what they consume, mostly liquid, can be reported for the reason that they did not pay cash and the entries are still legible.

Whisky at Four Cents

In 1837, fifteen years after Solomon Traffick was buying red port direct from Lisbon, whisky was sold for four cents the glass in the tavern at Fort Erie and not-so-good whisky was consumed at three cents the glass. The course of many an evening's pleasure may be traced by the entries in some of these books. Numerous drinks of whisky were usually followed by a drink or two of brandy. Then comes an entry for one night's lodging, plus the cost of a breakfast. Accompanying, also, is usually a charge for overnight keep of a horse.

When whisky was four cents the glass, other commodities and services were sold at proportionate prices. Some village blacksmith, whose account book has been spared, performed these services for one David Bancroft for the sum of $3.61½:

Making and setting two shoes	50
Setting three shoes	37½
Mending chain	12½
Mending chain and making hook	25
Mending chains and making nails	18
Making hook and four links .	27½
Laying wedge and setting two shoes	37½
Nosing plow share	56
Setting four shoes and sharpening plow	62½
Making iron to mark cattle ...	25

Appraiser is Candid

It is not to be assumed that all the early merchants of early Fort Erie were successful. One of the surviving volumes is a "copy of inventory of the debts and other property of Hugh Alexander and H. & E. Alexander taken by John Waddell, Benjamin Willson and William A. Alexander, 1st December, 1817."

There was an auction sale which netted £109/13/9. The book accounts totaled thousands of pounds, but it is improbable that many of them ever were collected.

The trio of appraisers, wise in their generation, listed the accounts due in three classifications — "supposed good," "doubtful" and "desperate." That it was a thoroughly conscientious classification is evident from the fact that one of the appraisers, who owed £146/5/8, must have acquiesced in placing this in the "desperate" column.

New Issue *All Common Stock*

3800 Shares of
Sleeman's Spring Bank Brewery Co. Limited
ESTABLISHED 1850
NO BONDS GUELPH, ONTARIO NO PREFERRED STOCK
Incorporated under the Companies Act of the Dominion of Canada
Capital $500,000.00, divided into 5,000 shares, par value of $100.00 each.

DIRECTORS
Colonel R. P. Rodgers, D.S.O., Woodstock, Ontario.
Harry O. Sleeman, Brewer, Guelph, Ontario.
John J. Maylor, Merchant, Forest, Ontario.
Major Charles Black, Toronto, Managing Director.
Clifton H. Moore, Druggist, Cobalt, Ontario.

SOLICITORS
Hunter and Hunter, 707 Temple Bldg., Toronto.

AUDITORS
H. T. Jamieson, C.A., Royal Bank Bldg., Toronto.
Edward Sleeman, C.A., Guelph, Ontario.

BANKERS
Canadian Bank of Commerce, Toronto

REGISTERED OFFICE
707 Temple Bldg., Toronto
Telephone: Main 1573

TRANSFER AGENTS
Montreal Trust Co., Ltd., Toronto

REGISTRARS
Union Trust Company, Toronto

The Company
This Company has been formed for the purposes as set forth in the Charter of Incorporation, to acquire and operate the well-known and old-established business of the Spring Bank Brewery, located in Guelph, Ont. This business was established in 1850 and is one of the oldest and best known breweries in Canada. It has the distinction of being the only brewery in Canada which does not pay any water rates in the Municipality in which it is located.

Product Unexcelled
To successfully brew the best grades of Ales, Porter, etc., it is essential that the water forming the base of these products be pure and unadulterated. The Company has received from the Department of Health of the Ontario Government an analysis of the Spring water which supplies the brewery showing that this water is absolutely pure and free from bacilli. No etherization nor pasteurization in process of manufacture. The products will be naturally matured from pure spring water with the best malt and hops obtainable.

Breweries are built around springs—not around Cities. As an illustration, such famous breweries as Bass and Worthington, located in Burton-on-Trent, Younger's, Edinburgh, Scotland; Tennant's, Glasgow, Scotland, and Guinness, Dublin, Ireland, were built on sites specially selected on account of the natural spring water which occurs at all these places. Sleeman's Spring Bank Brewery was located at Springbank for the same identical reason.

Going Concern
The brewery is being taken over as a going concern, and the present equipment, capable of turning out one hundred and twenty barrels per day, is now being, with very small expenditure, increased to allow for a maximum capacity of two hundred barrels per day, and should conditions warrant, the foregoing capacity can be doubled or trebled to meet the requirements of the market. The products of this brewery are too well known to need any further comment.

Profits
With a production of two hundred barrels per day, at an estimated profit of $2.50 per barrel, this amounts to $150,000.00 per year, or thirty per cent. on the entire capital of the Company, being a very conservative estimate.

Management
The Company has contracted for the services of Mr. Harry O. Sleeman, as Master Brewer. Mr. Sleeman, for many years, has been associated with the best practice in brewing. The Company has also been very fortunate in obtaining the services of Major Charles Black, who has had twenty-five years' experience in the brewing trade in England and Scotland, and is well known for his successful and economic management. It is confidently anticipated that with its favorable history and present capable management, this brewery will prove to be an outstanding success.

Appraised Value
The appraised value of this Company's Assets have been fixed at $381,000.00, including brewing license, which has been valued at the nominal figure of $5,000.00 only. The Company will own the property free from all encumbrance and will have available as working capital $215,000.00. Thus, it is apparent that the Company will continue business under the most favorable auspices; and having regard for the favorable conditions and the limited amount of stock to be offered, the shares of this Company should prove highly remunerative to the investor.

Applications for stock will be considered in the order received. In case of over subscription applications not allotted will be returned in full.

ASK YOUR BROKER

(SYNOPSIS FROM CHARTER DATED JANUARY, 1927)

The purposes for which incorporation is sought by the applicants are:

1. To purchase, acquire and take over as a going concern, the undertaking known as Spring Bank Brewery situated in the City of Guelph, Ontario, together with the Buildings, land, plant and equipment with all the privileges and appurtenances.
2. To carry on the business of **Brewers and Maltsters** in all their branches and of Importers, Distributors and Dealers generally in Ales, beers, porter, stout and all similar articles including aerated waters and mineral waters and other beverages and also in connection therewith the business of Custom House Brokers, Warehousemen, Forwarders, Carters and other like businesses and to manufacture, buy, sell and generally deal in any wares, merchandise, articles or effects directly or indirectly relating to any of the said businesses, including barrels, casks, bottles, corks and other like articles connected therewith.
3. **To manufacture,** buy, sell, deal in, distribute, **store, warehouse and export whiskeys** of all kinds, **high wines,** alcohol, and **spirits** and **gins** of all kinds and **all kinds of distillery products** and by-products thereof, to carry on the general business of **distilling, redistilling** and rectifying high wines, spirits and alcohol and of compounding and **blending of gins and whiskeys** of all kinds; to manufacture, buy, sell and deal in, store, warehouse, distribute and export grain, molasses and all articles used in connection with the operation of a Distillery and to **manufacture, sell, deal in, distribute, store, warehouse and export** all products or by-products of such articles; to do a general warehouse and storage business.
4. **To buy, manufacture,** sell and deal in malt and **malt extracts** and syrups and malt extracts product of all kinds and all products of a kindred nature and that either wholesale or retail.
5. To carry on the **business of Hotel, Restaurant, Cafe, Tavern, Saloon,** Beer House, Refreshment Room, Refreshment Booth, grounds and places of amusement and recreation, sport and entertainment where any of the articles manufactured or dealt in by the Company may be offered for sale.

PRICE $100.00 PER SHARE
Make Cheques Payable to the Company or any Responsible Broker.
Sleeman's Spring Bank Brewery Co. Limited
707 Temple Building, Toronto
Telephone Main 1573
It is intended in due course to apply to have these shares listed on the Toronto Stock Exchange.
S. W. BARBER, Fiscal Agent
707 Temple Building. Telephone Main 1573.
The statements contained in this circular are not guaranteed, but are based upon information which we believe to be reliable.

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Bankruptcy in Canada

An Authoritative Review of the Operations of the Dominion Bankruptcy Act

By F. M. MOFFATT, of Moffatt, Hudson & Company, Toronto, Trustees in Bankruptcy

The Dominion legislation known as the Bankruptcy Act is of great practical interest to all business men, for none can carry on any business of consequence in Canada without being affected by its provisions, some in the capacity of insolvents but the large majority as creditors from time to time of insolvent or bankrupt estates.

The Bankruptcy Act supersedes the provincial legislation formerly in effect, and provides a uniform law for all provinces, which is one of its most valuable features, for the reason that many companies doing business in Canada operate in more than one province.

Now Well Classified

The present act come into force in 1919 and has been revised from time to time as the practical working of the act brought forward cases and conditions which suggested needed amendments.

A long series of legal decisions have clarified and crystallized the interpretation of the various sections of the act, and its conditions and operations are now fairly well understood by the business community.

Lack of capital is said to be responsible over a stated period for approximately one-third of the failures in Canada, and it is to be noted that the percentage of failures due to this cause is somewhat higher in Canada than in the United States, as might be expected in a newer and less wealthy country.

Incompetence Close Second

Incompetence is quoted as a close second as a cause of failures, and it is interesting to find that failures from this cause in Canada are only about two-thirds of the number arising from the same cause in the United States.

The effects of these two conditions may develop more rapidly in periods of depression than when business is good; nevertheless they explain to a great extent the occurrence of failures in seasons of prosperity.

Inexperience, as distinguished from incompetence, reports show to be responsible for only some four per cent. of Canadian failures, which indicates clearly that inexperience is a handicap which can be and is readily overcome by energy and perseverance.

Specific Conditions Influence

Some twenty-three per cent. of our failures are due to specific conditions, other than those mentioned above; that is, conditions more or less local (such as severe inventory losses, tariff changes or loss of markets) or that are inherent to the particular businesses affected, and constitute a handicap that cannot be or is not overcome.

Of the causes of failures making up the remaining fourteen per cent. of the total all are of minor importance.

It is worthy of note that the element of fraud, as a contributing cause of failures, is very little in evidence, only five per cent. of our Canadian failures being due to this cause. The few cases that occur usually find their way into the courts and the newspapers, and the impression is at times created that this condition is more prevalent than is really the case.

Granted that a percentage of mortality is inevitable in business life as in all other forms of life, it is of the utmost importance that an efficient as well as a speedy and economical means be provided for realizing on the assets of the bankrupt or insolvent, and distributing the proceeds to the creditors. The machinery for this procedure is provided by the Bankruptcy Act. It has largely superseded procedure under the Winding Up Act, which, however, is still available to those who prefer the method thus provided.

Two Kinds of Procedure

Procedure under the Bankruptcy Act may be voluntary or involuntary as far as the debtor is concerned. If he decides that a crisis has been reached in his affairs and that such action is necessary or advisable, he may, providing his liabilities exceed $500, make an authorized assignment for the general benefit of his creditors. A married woman, if carrying on a trade or business, is subject to the act as if she were a femme sole.

For the purposes of administration of the act the provinces are divided into districts, of which Ontario, for instance, has thirteen, with headquarters at Port Arthur, Sudbury, Barrie, Owen Sound, London, Sandwich, Hamilton, Kitchener, Toronto, Peterboro, Kingston, Ottawa and North Bay. In each of these districts bankruptcy matters are in charge of an officer of the court, known as the official receiver, appointed by the governor-in-council.

The official receiver will accept and file an assignment, properly executed by the debtor; which must be accompanied by a sworn statement showing the property of the debtor and the names and addresses of all creditors, with amount due to each. From the time of filing of the assignment, the debtor ceases to have any capacity to deal with his property.

Custodian is Appointed

Immediately after acceptance of the assignment, the official receiver appoints a custodian, whom he selects, whenever possible, from among the most interested creditors, and he fixes the amount of a fidelity bond which the custodian shall deposit with the court for the protection of the creditors.

The official receiver acts as chairman at the first meeting of creditors —examines all proofs of claims filed, and when the trustee is appointed, at such meeting, certifies to his appointment and determines the amount of the guarantee bond to be given by the trustee for the proper discharge of his duties and accounting to the creditors for all moneys received.

Involuntary Bankruptcy

Involuntary bankruptcy is brought about by the action of one or more creditors, with claims aggregating $500 or over, filing with the court a petition asking that the debtor be declared bankrupt. Such petition may only be filed with the bankruptcy division of the court of the province having jurisdicition in bankruptcy. In order for the petition to be granted, the court must be satisfied that the debtor has committed an act of bankruptcy within six month before the presentation of the petition.

What Are Acts of Bankruptcy?

An act of bankruptcy by a debtor is defined by the act as:

a. Making an assignment for the benefit of creditors.

b. Making a fraudulent conveyance or transfer of property.

c. Creating any charge on his property which would be void under the Act if he were adjudged bankrupt.

d. Leaving the country to defeat or delay his creditors.

e. Permitting any execution to remain unsatisfied under certain conditions.

f. Exhibiting at a meeting of his creditors any statement showing he is insolvent, or presenting to such meeting a written admission of inability to pay his debts.

g. Removing or attempting to remove, secrete or dispose of any of his goods with intent to defraud.

h. Making any bulk sale of goods without complying with the provision of the Bulk Sales Act.

i. Giving notice to any creditor that he has suspended or is about to suspend payment of his debts.

j. Ceasing to meet his liabilities generally as they become due.

A secured creditor instituting such proceeding must value his security and is admitted as a petitioning creditor only to the extent of the balance due to him after deducting such valuation.

Declaring Him Bankrupt

If the petition is granted, after proper notice to the debtor, giving opportunity for him to appear and contest the granting of the petition, the debtor is declared bankrupt and a custodian appointed in the same way as under a voluntary assignment.

If the petitioning creditor so applies, and satisfies the court that the circumstances warrant it, (such as a debtor having absconded or being incompetent to handle his affairs) an interim receiver may be appointed, who takes immediate charge of the debtor's property and remains in charge during the period of notice prior to the hearing of the petition.

The debtor is required to attend the first meeting of creditors and submit to examination regarding his affairs. At this meeting a trustee is appointed, and by virtue of his appointment, title to all property of the debtor passes to him. In the case of real property, this is given effect to by registration of the assignment or receiving order against the property. The trustee is an officer of the court and is required to deposit with the court a bond for such amount as the official receiver may designate.

Duties of Trustee

The duties of the trustee are to protect and administer the affairs of the debtor, under the direction of inspectors appointed by the creditors; to realize the assets, pass on all claims filed by creditors, and distribute the proceeds of the realization, having regard to such lawful preferences among creditors as are sanctioned by the act.

The trustee may, if authorized by the inspectors, carry on the business of the debtor to such extent as may be advisable in the interests of the creditors; but the main object contemplated in the act is to realize and distribute, and it is not properly within the scope of a trustee's duties to operate an insolvent's former business with the purpose of redeeming its standing and improving the creditors' position by means of profits earned.

Must Deal Impartially

The trustee being an officer of the court is required to deal fairly and in an impartial manner with all concerned. He must furnish information regarding the estate to any creditor when so requested.

Moneys received by a trustee must be deposited in a chartered bank in a trust account, and except for payment of necessary expenses, and dividends to creditors, may not be withdrawn except on written order of the inspectors.

Consent of the inspectors in writing is required before the trustee can bring or defend any legal action. Permission of the court is required before any action can be brought against a trustee, as such.

Should Pay Interim Dividends

Interim dividends should be paid to creditors by the trustee as the possession of funds permits, and when the assets have been fully realized and claims adjusted, a final dividend is paid after creditors are furnished a full statement of receipts and disbursements, together with a notice that the trustee will apply to the court for his discharge. Thirty days after this notice is given, the trustee will be granted his discharge, in the absence of any objection by any creditor or the debtor. The granting of this discharge releases the bond filed by the trustee.

A trustee may be removed and another trustee substituted by creditors by ordinary resolution at any meeting of creditors, or, for cause, by the court.

Remunerating the Trustee

The trustee's fees or remuneration shall be such sum not exceeding five per cent. of cash receipts as is voted by a majority of creditors present at any general meeting, or when the amount is not so fixed the trustee may, when making final statement, retain a sum not exceeding five per cent. of the cash receipts.

This amount may be increased, if circumstances warrant, with the approval in writing of the inspectors and of the court.

Inspectors For Creditors

Inspectors are elected by the creditors at the first meeting, the act providing for from one to five, in the discretion of the creditors. Their remuneration is provided for at a rate per meeting, based on the value of the assets. "The duties of a committee of inspection in bankruptcy are obvious. They have to watch the administration of the bankrupt's estate and to control to any extent they may think right, that which is done by the trustee, by the solicitor, or by anyone else who takes part in administering the estate."

The debtor is obliged to furnish the court with a sworn statement of affairs, also to complete a questionnaire designed to elicit full information as to all his assets of whatever nature, and any dealings out of the ordinary course of business. He may be examined before the court by the trustee or his solicitor, if the inspectors or creditors so instruct.

The trustee may employ the debtor in connection with the administering the affairs of the estate, if such employment is approved by the inspectors. The debtor is entitled to any surplus remaining after payment of all expenses and creditors' claims, with interest.

Arrangements With Creditors

Since the coming into force of the amendments of the Bankruptcy Act in 1923, the number of compositions by debtors has been materially reduced, owing to the requirement of the present law that any proposal to creditors looking toward a composition, extension or arrangement of his affairs, must be preceded by a voluntary assignment or the granting of a receiving order against the debtor. The proposal is then made to the trustee elected at the first meeting of creditors, who is required to call a special meeting of creditors to consider it.

If, at such meeting, a majority of all the creditors, and holding three-fourths in amount of all proved debts, vote in person or by proxy to accept it, the proposal shall be deemed to be accepted, and upon subsequent approval by the court it becomes binding upon all creditors. Creditors not voting upon such a proposal are counted as voting against it.

The proposal must provide for payment in priority to other debts of all preferred claims, also trustee's fees and expenses.

Assignment in Partnership

A voluntary assignment of a partnership firm should be executed by all the partners. While one member of a partnership can bind his partners in the ordinary scope of the business, it amounts practically to a suspension of the business and a dissolution of the partnership.

A receiving order will not be made against a partnership firm, as such; but against the individual partners.

A creditor may apply for a receiving order against one or more partners, without including the others.

Priority of Claims

Where a debtor owes debts individually and also as a member of a partnership, the claims shall rank first upon the estate by which the debts they represent were contracted, and shall only rank upon the other after all the creditors of such other estates shall have been paid in full.

In the case of partners, the joint estate shall be applicable in the first instance in payment of the joint debts, and the separate estate of each partner shall be applicable in the first instance in the payment of his separate debts. If there is a surplus in the separate estates it shall be dealt with as part of the joint estate. If there is a surplus in the joint estate it shall be dealt with as part of the respective separate estates in proportion to the right and interest of each partner in the joint estate.

Claims by partners for wages, salary or other remuneration are restricted to amounts earned within three months of the insolvency or bankruptcy, unless all creditors are first paid in full.

Must Pay Stocks

In case an incorporated company becomes insolvent or is declared bankrupt, any unpaid amount on a subscription for capital stock is deemed

(Continued on page 29)

P. Lyall & Sons
Construction
Company, Limited
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$21,055,841 in
EIGHT MONTHS

BUILDING construction in Greater Vancouver the first eight months of 1926 amounted to $21,055,841, as against $13,224,950 in the same period last year. Figures like these indicate the solid foundation for the faith of those who are investing in Vancouver properties and industries.

Send for Investment Lists.

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GEO. V. HASTINGS, WALTER MOLSON, R. W. REFORD, ABNER KINGMAN,
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Secretary, M. H. HUTCHISON; Treasurer, T. F. McNALLY; Asst. Treasurer, A. C. McMILLAN.

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Dry Goods Review
Hardware and Metal
STANLEY
Canadian Grocer

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TALK business to the merchant in his own journal. Entrust your sales message to the highly specialized business papers that speak with authority, that command respect, that have the entree to the interested attention of big men.

Such mediums as the eight business papers listed herewith are not incidental things to be scanned now and then, but essential factors in the biggest things in the lives of the readers—their businesses. Use these papers to sell your goods or your services. Rates from your agency or write direct.

Hardware and Metal
Canadian Grocer
Drug Merchandising
Men's Wear Review
Sanitary Engineer
Dry Goods Review
Bookseller & Stationer

All members of the Audit Bureau of Circulations.

Data Service:—
Standard Hardware
Price Lists.

143-153 University Avenue
Toronto, Canada

Men's Wear Review
Dear Christmas

Sanitary Engineer
EMCO

Data Service
Drug Merchandising
Pro-phy-lac-tic
Bookseller–Stationer
VICEROY
Rubber Bands
Made in Canada

Progress in Many Fields Recorded by Research Council

Work, They Claim, Done at Small Cost to Public Treasury — Council Active in Encouraging Research Workers — Few Leave Country

Activity of the National Research Council, an honorary advisory council for scientific and industrial research, during the past year was in progress in twenty-three departments of science. These investigations were carried out at thirteen Canadian universities and in twelve government or industrial laboratories. Since the establishment of this council, some ten years ago, ninety-two researches have been undertaken, forty of these investigations having been concluded prior to the beginning of last year.

Covers Wide Field

Details of the last annual report show that researches were conducted in such diversified subjects as specification on cast iron pipe; traffic signals for highways; the problem of grain rust; tuberculosis; New Brunswick's forest problems; extraction of helium from natural gases; aeronautics; extraction of oil from Nova Scotia shales; concentration of telluride ores in the Kirkland Lake district; tar sands of Northern Alberta; vulcanization of rubber, etc.

It will be seen from the foregoing that the activities of the council cover a wide field, tending toward the greater utilization of our resources. The results of this work will probably not be apparent in any material form for some time to come, but the groundwork laid down by these researches will, the council declares, prove of considerable value when active industrialization is undertaken of some of the findings of the council's workers.

It has been possible for the council to undertake this work at a comparatively small cost to the public treasury. This has been accomplished through a policy of enlisting the cooperation of existing research organizations and trained scientific investigators, and of utilizing fully the equipment which they possess, in the prosecution of co-ordinated researches. The council has in many cases granted partial assistance to enable these organizations to secure the services of research assistants or necessary special equipment, thus ensuring the prosecution of approved work.

At the close of the year under review, fifteen associate committees were in active operation under the auspices of the council. The membership of these committees was composed of 228 persons who, without remuneration, gave of their time and experience in furthering the work of the council. A full account of the duties and activities of these associate committees will be found in a later section of this report.

Training Research Workers

One of the outstanding facts disclosed by the research inventory of Canada which was taken by the National Research Council in 1917, was that the supply of trained research men competent to undertake independent investigation was entirely inadequate to permit of any general application of research to Canadian industrial problems. In order to do its share in overcoming this serious difficulty, the council established a number of scholarships for post-graduate research work in science, which it awards annually under strict regulation to outstanding graduates of our universities and technical colleges, who have given evidence of the possession of that special capacity which indicates that they are likely to develop into investigators capable of conducting independent research in their chosen field of science.

Three classes of scholarships are awarded by the council, namely, bursaries, studentships and fellowships, having an annual value of $750, $1,000 and $1,200, respectively. These awards are intended to enable students who have graduated with distinction from a university to continue their training in science until they have qualified for a Ph.D. degree, three years being the maximum assistance granted to an individual candidate under any combination of awards.

Awarded to Qualified Applicants

These scholarships are awarded to the best qualified applicants therefor. The minimum qualification for a bursary is graduation with distinction from an approved university. An applicant for a studentship must have had at least one year of post-graduate research experience, while fellowships are awarded only to persons who possess very high qualifications and who have demonstrated beyond question their ability to carry on independent research.

During the year under review the council awarded five fellowships, seventeen studentships and twenty-three bursaries, and it is of interest to note that there were approximately three times as many applicants as there were awards available, which ensures that the group of men who held these awards during the past year were of the most desirable type and possessed very high scientific qualifications for the awards which they received.

The forty-five awards during 1925-26 were won by graduates of thirteen Canadian universities, as follows: University of British Columbia, eight; Alberta, two; Saskatchewan, five; Manitoba, three; Toronto, seven; McMaster, two; Western Ontario, two; Queen's, three; McGill, seven; Montreal, two; Laval, one; Bishop's College, one; and Dalhousie, one.

It is gratifying to note, says the council's report, that of the one hundred and thirty-one grantees, only seventeen persons have accepted positions in foreign countries; all of the others, as far as it has been possible to ascertain, are at work in Canada, with the exception of eight persons, who are continuing their post-graduate work in the United States or in England.

International Activities

The National Research Council of Canada is an important link in an Empire and an international organization for the co-ordination and development of scientific research throughout the civilized world. The council was established by the Canadian government, acting on the request of the British government, which had not only established a similar organization in Great Britain, but had also petitioned each of the British dominions to take like action, with the object of developing scientific and industrial research within their own borders, and with the expressed hope that in due course an Empire scheme for scientific and industrial research which would be of great assistance in maintaining the industrial position of the Empire would evolve. Through its foreign connections, the Canadian Council is in a position to keep abreast with the latest developments of scientific thought and progress throughout the world.

Canada Foreign Investment May Soon be Listed

From Our Own Correspondent.

MONTREAL.—It is understood that the shares of the Canada Foreign Investment Corporation may shortly be listed on the Montreal Stock Exchange. This is the holding company, formed by Canadian interests, which controls by a 74 per cent. stock interest in the Brazilian Cement Company. The subsidiary company more or less recently erected a cement plant in Brazil, which has met with success since its inception. The Canada Foreign Investment Corporation's outstanding capital consists of $1,700,000 in 8 per cent. preferred shares, and 67,000 shares of common stock.

Dominion Stores Limited—the Canadian chain-store system—has opened 22 new stores so far in 1927, as against 37 new stores opened up the whole of last year.

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Compound Interest Bonds

Money invested in our Accumulative Bonds earns more than if invested in Coupon Bonds because the interest is COMPOUNDED half-yearly. This means that the investor receives interest on each half-yearly instalment of interest at the same rate as is allowed on the principal. At present these Bonds are being issued bearing the attractive rate of

5%

$390.60 invested in a "CANADA PERMANENT" ACCUMULATIVE BOND now will increase in five years to $500.

A pamphlet giving full information regarding these Bonds will be gladly sent on request.

CANADA PERMANENT MORTGAGE CORPORATION
14-18 Toronto Street - Toronto 2
Assets exceed $50,000,000.

Bankruptcy in Canada

(Continued from page 28)

to be an asset of the company, and a debt payable by the shareholders to the trustee forthwith.

The trustee makes a demand in proper form upon the contributory requiring payment to be made within thirty days. The contributory may give notice of dispute within fifteen days, otherwise at the expiration of thirty days, if unpaid, the trustee may take proceedings to secure judgment.

Proofs of Claims And Voting

All creditors desiring to rank against an insolvent or bankrupt estate must file with the trustee a proof of claim in proper form, verified by affidavit. Creditors holding security must so state, and give particulars and their valuation of the security held. A secured creditor may only vote in respect of the amount of his claim in excess of his valuation of the security held.

Unless otherwise provided, all questions at meeting of creditors shall be decided by resolution on majority of votes.

Claims over $25 to $200 carry 1 vote; claims over $200 to $500 carry 2 votes; claims over $500 to $1,000 carry 3 votes.

Every additional $1,000 or fraction thereof, 1 vote.

Secured Creditor's Claim

If a secured creditor realizes his security he may prove against the estate for the balance due him, or he may surrender his security to the trustee and prove for his whole debt.

If he does not either realize or surrender his security, he may, and shall, if so demanded by the trustee, file a proof of claim, giving particulars of such security and his valuation of same. The trustee may at any time redeem it on payment of the valuation, or if dissatisfied with the value, may require that the security be sold on agreed terms and conditions.

Rights of Preferred Creditors

The rights of preferred creditors are provided for and protected. Circumstances vary so greatly that no fixed rule can be applied, but speaking generally, dominion government claims for income tax rank first, municipal tax claims second, claims of public utilities, such as water, hydro Electric system, etc., rank equally with municipal taxes. A landlord, subject to the exceptions just named, has a prior claim for arrears of rent not exceeding three months preceding the insolvency or bankruptcy; and if his lease so provides, for accelerated rent not exceeding a three months' term; providing, however, that the distrainable assets shall equal the value of such claim. The dominion government, effective July 1st, 1925, repealed the section of the Special War Revenue Act providing for priority of claims for sales tax.

Trustee is Really First

Subject to the above, the trustee's fees and expenses are a first claim on the realization, and in cases where the amount realized will not cover both dominion income tax and trustee's fees and expenses, the government will allow the trustee to rank ahead of its claim.

Next in order will rank the costs of the first creditor securing execution against the debtor; then claims for wages, salaries, commission, etc., of any clerk, servant, travelling salesman, laborer or workman, in respect of services rendered during three months before the date of the receiving order or assignment.

Claims due under any Workmen's Compensation Act rank with wages as above.

Preferences Subject to Review

The act provides that all preferences given to any creditor, whether by transfer or pledge of property, cash payment or otherwise, may be reviewed by the trustee, and, if deemed by the court to be undue or fraudulent preferences, may be set aside.

A great deal of legal work is naturally required in the handling of an insolvent or bankrupt estate. The trustee may obtain permission in writing from the inspectors for the retaining of a solicitor, and for the commencement or defence of any action at law. The solicitor's fees are limited by the Act to five per cent. of the gross proceeds of estates where such proceeds exceed $5,000.00 unless a larger fee is approved by the court. Where the gross proceeds do not exceed $5,000.00 the solicitor's fees may be increased, by unanimous vote of the inspectors, to an amount not exceeding ten per cent.

A debtor may, at any time after being adjudged bankrupt or making an authorized assignment, apply to the court for an order of discharge. The trustee must furnish a report to the court on the conduct of the debtor, and full information as to the outcome of the estate. He must also notify every creditor of the debtor's application, and specify the date fixed by the court for hearing same. Any creditor may be represented at such hearing.

The court may, if the debtor has not committed any of the bankruptcy offences specified in the act, grant a discharge, conditionally or otherwise; and, if the debtor is guilty of such offence or offences, may either refuse the discharge, or suspend it for a period of not less than two years.

This provision for securing discharge is being taken advantage of to a lesser extent as time goes on, for the reason that business is increasingly operated under incorporation, and it is usually only to an individual debtor that a discharge is of value.

An undischarged bankrupt or insolvent is guilty of an indictable offence, if he obtains credit to the extent of $500 or upward from any person without informing him that he is an undischarged bankrupt or insolvent; also if he engages in any trade or business under a name other than that under which he was adjudicated bankrupt or made such authorized assignment, without disclosing to all persons with whom he enters into any business transaction the name under which he was adjudicated bankrupt or made such authorized assignment.

However, all transactions by a bankrupt or insolvent with any persons dealing with him bona fide and for value, in respect of property, real or personal, acquired after the making of the receiving order or assignment, shall, if completed before any intervention by the custodian or trustee, be valid against the trustee.

The act covers many other details in connection with the handling of estates, but these articles have given a comprehensive summary of the principal provisions.

February Building Permits Highest in Past Eight Years

In line with construction contracts, building permits issued in 63 Canadian cities during February last, were 43 greater than in the preceding month and are higher than for any corresponding month since 1920.

Some 50 cities furnished detailed statistics, showing that they had granted over 750 permits for dwellings, valued at more than $3,300,000, and nearly 1,100 permits for other buildings, estimated to cost in excess of $4,000,000. In January, authority was given for the erection of some 500 dwellings and 950 other buildings, estimated at approximately $1,980,000,000 and $3,160,000, respectively.

Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, and Saskatchewan reported increases in the value of permits issued as compared with January, 1927, while in Alberta and British Columbia there were comparatively small declines.

The following table gives the value of the building authorized by 63 cities during February and in the first two months of each of the past five years:

	In February	In First Two Months
1927	$7,778,552	$13,207,831
1926	7,139,549	11,859,083
1925	5,902,118	11,349,388
1924	4,093,800	8,554,379
1923	5,679,671	9,819,169

Preliminary figures on the insurable business in Canada during 1926, made public by the federal department of insurance, show a marked increase on life insurance taken out as compared with the previous year.

Western Municipals

Bonds issued by municipalities give a higher interest return than issues of similar standing of eastern towns and cities.

This is due to the fact that all interest rates are higher in the West.

Investors who would increase the average earnings of their holdings will find our lists of value.

Pemberton & Son
Financial Agents
418 HOWE STREET
Vancouver, Canada
British Columbia Agents for Wood, Gundy & Co., Ltd.

Chain Stores Prosper

Volume of Trade Shows Big Increase

Canadian Department Stores, Limited, the largest chain store system in Canada, includes the following stores:—

Duncan Ferguson Co., Limited,	Stratford
Dundas & Flavelles, Limited,	Lindsay
The Richie Co., Limited,	Belleville
E. J. Coles Co., Limited,	Woodstock
The Chas. Austin Co., Limited,	Chatham
A. Bristol & Son,	Picton
The Robt. Wright Co., Limited,	Brockville
H. H. Engel, & Co., Limited,	Hanover
Bryans, Limited,	Sault Ste. Marie
The Robinson Co., Limited,	Napanee
Ogilvie-Lochead, Limited,	Brantford
A. A. Fournier, Limited,	Ottawa
Beamish & Smith, Limited,	North Bay
Huntington's, Limited,	Midland
The Cressman Co., Limited,	Peterborough
Beamish & Adams,	Huntsville
McLaren & Co., Limited,	St. Catharines
I. L. Matthews & Co.,	Port Arthur
Letendre, Limited,	Montreal, Que.
Stafford, Limited,	Sudbury
Fenton & Smith,	Pembroke
T. H. Pratt, Limited,	Hamilton

EACH year sees the chain stores of the continent more firmly entrenched in public favor. In 1925 the 12 leading chain stores in the United States had a turnover of 579 millions. Last year the sales totalled over 660 millions—an advance of more than 80 millions.

* * * * *

Such a notable record speaks well for the success of Canada's latest and largest system of chain stores—The Canadian Department Stores Limited. In this merger are 22 leading department stores of Eastern Canada every one of which has been prosperous over a long span of years. Their former owners will continue to manage the stores, aided by the great benefits to be obtained by large volume buying and centralized executive control.

* * * * *

Even in the worst business years Canada has experienced during the last decade audited statements bring out the remarkable fact that all of these stores showed splendid earning power, in fact, actual net earnings were much in excess of all interest requirements. How many investment fields have shown such a record!

* * * * *

Net tangible assets of the Canadian Department Stores Limited is approximately $8,672,000. It is estimated on a conservative basis that net earnings available for interest on the $4,250,000 First and Refunding Mortgage Income Gold Bonds now issued, for the first year will be more than three times the amount of the interest requirements. Forty per cent of these bonds are offered to the public, the greater amount having been already subscribed by former owners of the stores.

We are offering First and Refunding Mortgage Income Gold Bonds in Canadian Department Stores, Limited, at 100, to yield 7%
There will be delivered with each $1,000 bond of this series ($4,250,000) five shares of the no par common stock of the company
For detailed information of this most attractive investment communicate with:

Municipal Bankers
Bond and Sales Corporation, Limited
Toronto
Montreal - Ottawa - London

H. B. Robinson & Co.
Limited
Toronto and Montreal

Business Level Again Reached Highest Peak in Month of February

Indices of Business Condition Have Value in Forecasting Business and Investment Trends and in Adjusting Wage Levels

By SYDNEY B. SMITH.

The general business level in Canada in February reached a new maximum for all time. The index number was increased slightly over the previous high point attained in January. The index in February was 103.9 as compared with 130.5 in the preceding month. The index is a weighted average of 26 prominent factors of the physical volume of business in Canada. Heavy imports of rubber indicate active conditions in tire factories, while the automobile industry operated at an accelerated pace. The exports of lumber to external markets showed a gain. Building permits reflected favorable weather for construction in cities and towns. The movement of freight was in increased volume as shown by the high totals of revenue carloadings. Bank debits to individual accounts, when adjusted for the price level, indicated that the volume of business was at a high level. The production of newsprint was barely maintained, while the primary iron and steel industry showed a decline as compared with the corresponding month of last year.

Index Number in Fixing Wages

In any discussion of the uses of a general business index, a prominent place must be given to the settlement of wage disputes. The index of the cost of living has entered into the general consciousness, owing to its widespread application in the revision of wages. But, it is obvious that the cost-of-living index alone is inadequate as a criterion of wage scales. Providing that the cost of living were advancing in a period of declining production, the upward revision of wages, other things being equal, would be illogical. Such action would involve an attempt to meet a diminished real income with a general stabilization of real wages, which would obviously be impossible.

On the other hand, if the cost of living showed an important decline, while production was expanding, a general reduction in wages would be unfair, and the resistance of wage earners to a downward revision would probably be justified. In the presentation of this argument it is assumed that the number of wage earners is not materially altered, and that the proportion of the national income accruing to labor is approximately maintained. Of course, it is not intended to infer that the brunt of the reduction in the national income during depression should fall on the wage earner. The risk of business enterprise should be borne chiefly by capital, but it is inevitable that at least a certain portion of the losses of depression and of the gains of prosperity should be, at least, shared by labor.

While index numbers should be regarded only as a rough and ready device for adjusting wages, it is here maintained that some modification in the application of the cost-of-living index in the light of aggregate production, is desirable. An index of production or general business gives a moral background — a foundation based on inexorable facts.

Forecasting Business Demand

The index may also be used as a means of forecasting demands for a particular product in the Canadian market. A general business curve was found by the American Telephone and Telegraph Co. to be the most satisfactory in forecasting the requirements for telephone receiving sets in its territory. The statistical department had considerable success in forecasting the required expansion for five years in advance.

There are few industries but are affected directly or indirectly by the extent of industrial operations throughout the country. In many cases the market for the entire output of a given firm is directly proportional to the trend of general business. From the more general viewpoint, the index represents the income in physical units of the Canadian people, and the home market at least is indirectly dependent on our social income.

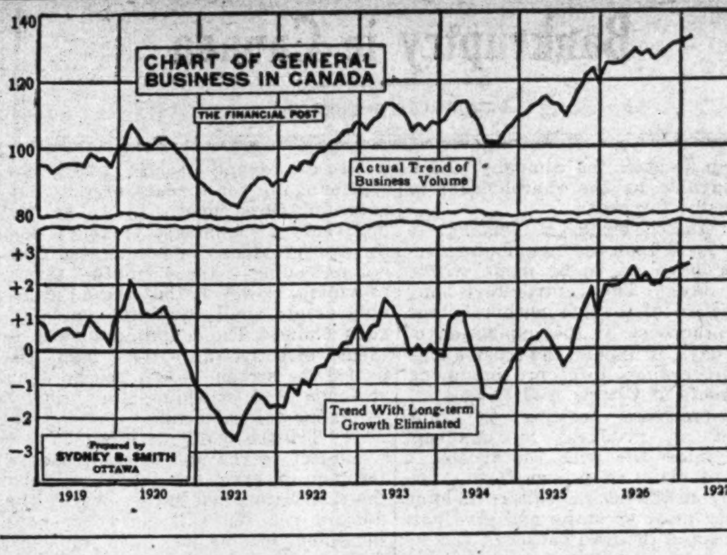
As a Mechanical Forecaster

Interest has been directed to indexes of general business by an article by Karl G. Karsten in the December number of the American Statistical Journal, to the effect that an inverted business index may be used as a forecaster of the trend of industrial stocks. It was explained that when the business curve crosses the zero line in a construction such as the lower section of the chart which accompanies this article, a signal is given for the purchase or sale of industrials. When the business line crosses the zero line in a downward direction, the index of stock prices should reach the minimum in several months. On the other hand, if the business curve crosses the zero line in an upward direction, the stock index should reach the maximum in a few months and the speculator should assume a bearish position. It will be observed that from 1919 to 1925, the general business curve presented here would have served as a rough guide to the speculator. The index was not prepared for this purpose and the limited field serves to detract from its accuracy in this regard.

Why Stocks Have Not Declined

A radical change in social economy during the last two years has resulted in an alternation in the relation of the physical volume of business to the trend of industrial stock prices. The decline of wholesale commodity prices during the period has made possible the continued expansion in industrial production. In view of the diverse trends of production and commodity prices no crisis has disturbed the business situation and industrial stock prices have advanced in trend for two and one-half years.

Judging from past experience with the relations of the movement of physical volume and the trend of stock prices, one naturally would have expected that stock prices would have reached their maximum more than one year ago. The reason for this unusual development may be found in the fact that the decline of wholesale prices has permitted the handling of a large volume of business without money stringency. Easy money was maintained during the greater part of the period, affording generous support to speculative operations.



WM. A. ROGERS WILL PAY PREF'D ARREARS

Profits For 1926 Are 60 Per Cent. Higher Than For Previous Year

William A. Rogers, Ltd., and its subsidiary companies, in 1926 had net profits, before Federal taxes, of $160,037, compared with $100,941 in 1925. Net profits after provision for income taxes were $139,036, compared with $88,216 under the same head a year ago. In 1926 the dividend of 7 per cent. on the preferred stock was paid; 1¾ of the accumulated reserves were met. In this annual report the directors announce that the remaining arrears of 1¾ per cent. will be paid on April 1st.

Valuation is Conservative

Real estate, building, plant and equipment and investments in other companies are carried in the balance sheet at a valuation of $1,856,300, an increase from $1,774,159 the previous year. An idea of the conservative nature of this valuation is given in the president's report, which states that fire insurance to the total of $3,102,700 is carried on the physical properties of the company. In addition, use and occupancy insurance to the value of $1,100,000 is in force.

Working capital shows an increase for the year, the item now standing at $1,697,748, compared with $1,628,052 at the end of 1925. Current assets at the end of 1926 totaled $2,313,313, and were $2,288,522 the previous year. Current liabilities were $615,565 at the end of 1926 and $660,470 at the end of 1925.

Profit and Loss

	1926 $	1925 $	1924 $
Profits	271,211	216,004	137,631
Depreciation	111,175	115,064	112,731
Taxes	21,000	12,725	3,794
	132,175	127,789	116,525
Net profits	139,036	88,215	21,106
Pref. dividend	98,245	78,596	117,894
Div. guar. Can. Wm. Rogers	.....	......	35,000
Balance	40,791	9,619	x131,788
Prev. bal.	93,114	83,495	215,282
P. & L. bal.	133,905	93,114	83,494

x Debit.

Market Record

	Common		Preferred	
	High	Low	High	Low
1925	65	48	95	88
1926	70	45	100	90
1927x	80	64	100	92

x To March 21.

Ontario to Recognize Pension Insurers

Ontario has this week added its quota to the flock of insurance legislation which descends annually upon complacent legislatures. New legislation sought by the Superintendent of Insurance for the province was passed this week.

The new legislation which is of particular interest, concerns itself with pension fund associations, mutual benefit societies, and with automobile and fraternal insurance.

The first amendment to the act recognizes a class of insurer new to the Ontario act known as pension fund associations and authorizes them to be licensed to carry on business in the province. The definition of a pension fund association includes only companies incorporated in the province of Quebec, prior to 1910, for the purpose of providing a pension for those persons who have contributed to a fund for a certain number of years. There are only two such companies which come under the provisions of the act, Les Prevoyants du Canada, and La Societe St. Jean Baptiste de Montreal (Caisse d'Economie). Licenses to these companies will be subject to the general provisions of the act, with regard to statements, inspection, licensing, etc. The amendment proposed for mutual benefit societies allows the minister to renew at his discretion, the license of such a society, notwithstanding the fact that it has less than 75 members in good standing. The lack of discretion in the existing law has been responsible for some cases of hardship where societies have suffered a temporary lapsation of membership.

The new legislation in regard to automobile insurance is an amendment which will be much appreciated by motorists and insurance companies. The new clause provides that it will henceforth be unnecessary to issue a new policy every time that the subject matter is changed; for example, when the insured buys a new car. This amendment is already in force in Saskatchewan, Alberta and British Columbia, and has been approved by the provincial superintendents at their annual conference.

With regard to fraternal insurance societies, the new legislation which has been sought for some time by the Canadian Fraternal Association, authorizes these societies to write endowment insurance for a term of not less than 20 years. The limitations imposed on societies that wish to write this kind of business, include the provision that the society must have at least 5,000 members in its life insurance department; that it must show an increase in its net life insurance in force during the two preceding years; and that it must have filed with the Superintendent an actuarial statement for at least three successive years.

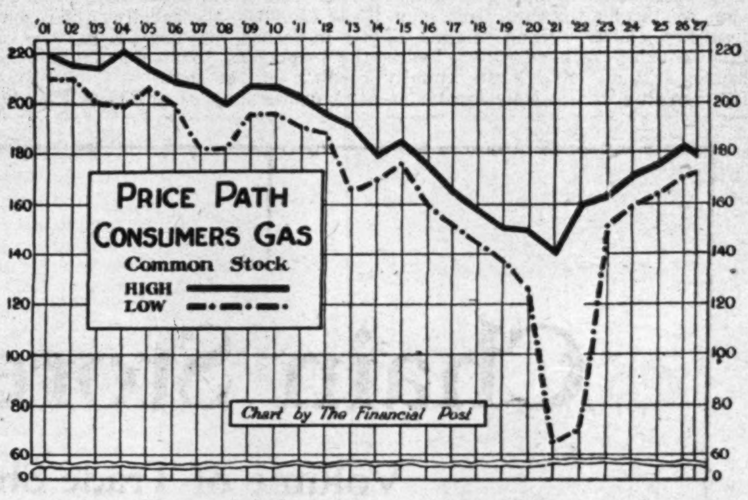
Surety of Return Makes Stock of Consumers Gas Attractive Investment

Issue is One of Standard Canadian Common Stocks Without Bonds or Preferred Making First Claim on Earnings

Fifth Article in a Series on Common Stocks.

One of the standard common stocks, in which there is reasonable chance of appreciation in principal as well as virtual surety of return, is Consumers Gas of Toronto. Under the contract with the city, Consumers Gas is limited to 10 per cent. dividends on the capitalization, earnings in excess of this amount going into a special reserve which is used for reduction in the price of gas to the public.

It will be observed from the accompanying chart that the market value of the stock of Consumers Gas dropped gradually from 1901 to 1914, that there was a more rapid decrease in market value during the war and that the low point was reached in 1921 and 1922. The gradual recession in the value of this utility stock before the war was coincident with the decrease in market values of utilities generally and was accompanied by a gradual rise in the price of commodities.



Coal Strike Harmful

Utilities began to suffer more in the war period and their troubles were not ended with the cessation of hostilities. Gas companies were faced with another serious trouble in the labor troubles in the bituminous coal fields in 1921 and 1922. While there was shortage of coal and a consequent increased demand for other fuels, including gas, the companies selling manufactured gas were in the position of having to pay more for coal and not being able to get higher rates for their principal product. Better prices for by-product coke did not offset the added expense of manufacturing gas.

About this time, also, the utilities were faced with the necessity of making capital expenditures which had been neglected during the war. Consumers Gas Co. stock decreased in market value rather rapidly in those years because capitalization had to be increased and because of the difficulties of operation during the labor troubles in the coal fields.

Stock Recovers Rapidly

But the rapid recovery of Consumers Gas Co. stock in 1923 and the steady rise in market values since then shows the high regard with which this stock is held in investment circles. It is, moreover, proof of the very high efficiency of the management.

With a limited dividend rate, Consumers Gas Co. can be regarded primarily for its investment possibilities. But in view of the gradual drop in commodity prices, and with money tending to become as cheap as it was before the war, it is possible that the stock will eventually return to the level prevailing in 1901 and 1904.

Consumers Gas has no funded debt and no preferred stock. The capitalization of $12,000,000 par value is conservative. The plant is considered one of the most efficient on this continent, comparing favorably with the best in England. The company is aggressive in salesmanship and in recent years has upbuilt a lucrative business in gas appliances. It is extending mains as rapidly as there is a demand for gas. It has plans for the future which will enhance the surety of earning power as well as increase its service to the public.

Consumers Gas always has been popular with investors. There are 2,900 shareholders on its books. This number is possibly a record for a company of it size with stock of the par value of $100 which sells at nearly double the par value.

The popularity — and, hence, the market value—of the stock would probably be increased somewhat if the shares were of $25 par value or less. Most new companies are making issues of stock of $25 or even $10 par value with a view to attaining a wide distribution. It is probable that some of the older companies would benefit from a recasting of their financial structures which would make the stock more attractive to the small investor. Wide distribution of stock is especially beneficial to utilities which inevitably, from time to time, are the objects of attack by politicians without just cause.

There has been no hint that the directors of Consumers Gas are considering a stock split. But it is possible that such a move eventually will come in accordance with the modern tendency.

"NewSteel" Desks
—a new standard of Desk Service.

STEEL office furniture is now favored by large business organizations for utility, permanency, economy, beauty. The latest addition to "Office Specialty's" complete line of office equipment is the "NewSteel" Desk line. Ask for catalog.

From Factory to You—Direct
Desks Chairs Tables Files
Visible Records Card Record Supplies
Steel Shelving Underwriters Safes, etc.

THE OFFICE SPECIALTY MFG. CO. LIMITED
97 Wellington Street West, Toronto 281
Factories: Newmarket, Ont. Branches in Principal Cities.

B.C. Manufacturers Actively Fostering West Indian Trade

Business possibilities of the British West Indies are proving attractive to British Columbia manufacturers who are taking an active interest in fostering trade with that area.

During the past nine months a total of $500,000 worth of British Columbia products has been shipped from Vancouver to the British West Indies. When the first preferential treaty between the British West Indies was completed with the Canadian Government there was an immediate increase in trade between Eastern Canada and the Indies, but the west coast of Canada did not share in this development.

The business interests of the British West Indies are thoroughly in sympathy with the treaty and with trade with Canada, either from east or west coast. There is, it is said, a very good market available there for British Columbia manufactures, the buyers having a very friendly feeling for Canadians, and thus giving them the advantage when other things are equal.

Hamilton Coke Plant Expands

Announcement of an expenditure of $1,500,000 on Hamilton harbor development is made by the Hamilton By-product Coke Ovens Limited, with the approval of the federal authorities. The plans, which are to be completed at an early date, call for a slip on the company's plant, west of Ottawa Street, the cut to be 3,000 feet long and 200 feet wide.

Lantic Sugar

ATLANTIC SUGAR REFINERIES LIMITED

Eleventh Annual Report

FOR THE FISCAL YEAR ENDING 31st DECEMBER 1926.

To the Shareholders:

Your Directors submit the Eleventh Annual Report of your Company for the fiscal year ended December 31st, 1926.

A Statement of Assets and Liabilities as at December 31st 1926, together with the Profit and Loss Account for the period, is appended. The statements submitted give effect to the re-organization of the Company's capital stock and the funding of the indebtedness to the raw sugar creditors, which were consummated during the year.

Profits from operations, after provision for Income Tax, amounted to $1,206,892.05. Out of these profits the following charges have been provided for:

Bond Interest	$182,519.28
Bank Interest, Exchange and Other Interest	154,262.93
Reserve for Depreciation of Plant	356,967.90
Leaving a net balance for the year of	513,141.94

The year's operations including the proceeds from the sale of 30,000 shares of new Common Stock have further improved the current financial position to the extent of $1,516,216.98. In addition $100,000, of First Mortgage Bonds and $50,000, of General Mortgage Bonds were retired.

The Refinery Plant has been maintained in a high state of efficiency. Expenditures for repairs and maintenance amounted to $102,203.53 and were charged against operations. Betterments amounting to $27,797.84 were added to Plant Account.

Your Company's business in the domestic and export markets, was maintained at approximately the same levels as in the previous year.

Early this year the Company took advantage of an opportunity to purchase, for Sinking Fund purposes as required, a block of $511,200.00 of the outstanding 5% General Mortgage Bonds at the price of 75%.

Respectfully submitted on behalf of the Directors.

LEWIS J. SEIDENSTICKER,
President.

Montreal, March 17th, 1927.

BALANCE SHEET as at 31st DECEMBER 1926

ASSETS

FIXED ASSETS:		
Land, Buildings, Wharves, Plant and Equipment	$5,993,219.25	
Franchises, Leases and Goodwill	3,000,000.00	
		8,993,219.25
CURRENT ASSETS:		
Cash in Banks and on Hand	76,106.81	
Accounts and Bills Receivable	679,882.57	
Investments	139,825.00	
Inventories	1,607,781.37	
		2,503,595.75
OTHER ASSETS:		
Expenditure made on account of future business		56,201.15
		$11,553,016.15

LIABILITIES

CAPITAL STOCK:		
Authorized —		
16,111 7% Cum. Con. Pref. Shares of $100 each.		
78,889 Common Shares of No Par Value.		
Issued —		
11,111 7% Cum. Con. Pref. Shares of $100 each	$1,111,100.00	
78,889 Common Shares of No Par Value (at $25 per Share)	1,972,225.00	
		3,083,325.00
NOTE — Dividend paid on Preferred Shares to 30th September, 1920.		
BONDS:		
Authorized —		
$2,000,000 First Mortgage 6% Bonds — Issued	1,570,000.00	
Less — Redeemed	875,000.00	
		695,000.00
$3,927,000 General Mortgage 15 year 5% Bonds—Issued	3,926,246.67	
Less — Redeemed	50,000.00	
		3,876,246.67
BANK LOAN (Secured)		700,000.00
ACCOUNTS PAYABLE AND ACCRUED CHARGES		169,481.65
RESERVES FOR DEPRECIATION AND CONTINGENCIES		2,591,266.21
SURPLUS		437,696.62
		$11,553,016.15

NOTE—$146,500 (Par Value) 1st Mortgage 6% Bonds purchased by the Company still outstanding are included in investments.

CONTINGENT LIABILITY for Bills under discount $169,726.00.

Approved on behalf of the Board,

D. LORNE McGIBBON,
Director.
LEWIS J. SEIDENSTICKER,
Director.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING DECEMBER 31st, 1926.

Profit for the year, less provision for Income Tax 1926 but before providing for the undernoted charges	$1,206,892.05	
Bond Interest	182,519.28	
Bank Interest, Exchange and other Interest	154,262.93	
Depreciation on Plant and Franchises	356,967.90	
		$693,750.11
Net Profit for year	$ 513,141.94	
Add: Discount on Bonds redeemed through Sinking Fund	12,481.25	
		525,623.19
Deficit as at December 31st 1925	$3,760,342.57	
Less adjustments applicable to 1925	5,741.00	
	$3,754,601.57	
Deduct reduction in Common Share Capital Stock through conversion of 48,889 shares of the par value of $100. each into no par value shares, with a nominal value of $25. each	3,666,675.00	
		87,927.57
Surplus per Balance Sheet		$437,696.62

AUDITORS' CERTIFICATE

We have examined the accounts of the Atlantic Sugar Refineries, Limited, for the year ended 31st December, 1926, and have obtained all the information and explanations required by us. The Inventories of Stock on Hand as certified to by responsible Officials of the Company have been valued on a conservative basis, and the Open Accounts are, in our opinion, sufficiently covered against probable losses. We hereby certify that the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the Books of the Company.

(Signed) MACINTOSH, COLE & ROBERTSON,
Chartered Accountants

Montreal March 8th, 1927.

European Peasants Should be Encouraged to Settle in Canada

Experience of United States With These People Held to be Not Applicable to Canada—Could Settle on Brush Lands

By JOHN E. LANGDON.

Fourth of a Series of Articles on Immigration.

In view of the unlikelihood of any movement of migrants from the British Isles and Northern Europe approximating that of the years leading up to the war, and the desirability of peopling our vast areas of agricultural land, one is impressed with the need of formulating some policy whereby the European peasant class can be transported in large numbers to this country. Various schemes have been suggested to the Federal Government along these lines from time to time, but they have been turned down, objection being based on the peasant lack of wealth with which to give him a proper start, their alleged unsuitability as citizens because of their illiteracy and difficulty of assimilation.

Large Areas of Bush Land

There are still immense areas of unoccupied scrub or partially wooded lands in each of the provinces, a large percentage of which is suited for farming. The problem of brush lands in the East is not so pressing as in the West, on account of the fact that much of the land bears merchantable timber which brings in a fair revenue to the settler. Clearing land in the West entails much expense and labor with no returns therefrom. In the northern parts of Manitoba, Saskatchewan and Alberta, as well as west of the railway line between Calgary and Edmonton, there are millions of acres of brush lands, which can be had at little cost. While the soil in these areas is admittedly not of the best, yet it can be farmed profitably once put into shape. The British and other immigrants from Northern Europe have not been attracted to these lands and it is only through the encouragement of peasant immigration that they will ever be brought under cultivation.

It is not suggested that there should be a wholesale entry of these people to Canada. They should be as carefully inspected and passed upon as are present newcomers. Rejections would probably be numerous, but on the other hand a fair percentage of those coming forward would be found suitable for admission.

Handicapped at Start

The foreign immigrant comes to this country with a big handicap—the antipathy of the British born to one not of the same race. The objection of illiteracy is often urged against him. Educational statistics compiled from our latest census returns, apparently tell a very different tale. Following are some figures bearing on the percentage of illiteracy in Canada:

Ages	Parents Canadian Born	Parents Foreign Born
10 to 20	2.71	3.45
21 and over	7.28	4.45
Average ...	5.77	3.79

If further proof were required in this connection, one has only to compare the illiteracy of foreign-born in each province. Saskatchewan, with 25 per cent. of foreign population, has only 5.92 per cent. of illiteracy over school age. Compare this figure with that of 5.11 for Nova Scotia, 7.61 for New Brunswick and 6.20 for Quebec, where the foreign population amounts to less than 3 per cent.

Standard of Living

Again the lower standard of living of the European peasant is often criticized and held up as a reason why we should not admit these people. One authority, who has made an extensive study of the situation, has come to the conclusion that this is invariably a reaction to an economic necessity. For instance, the Danish farmers are man for man the richest farmers in the world and they have risen to this preeminence in the short space of 75 years. Prior to that time they were struggling with landlessness, appalling illiteracy and dire poverty. Poverty has quickly transformed them into free spenders.

We might well take a lesson from the United States in regard to the peasant farming class. A large percentage of the agricultural production in that country is due to this type of immigrant. The quota law in force across the line is not to be regarded as a blanket indictment of the foreigner. This was both a political and social measure. It was not directed against agricultural people from Eastern and Central Europe, rather was it drawn up for the express purpose of limiting farm production. Moreover, the labor party was not adverse to this piece of legislation; in fact, they strongly supported it, principally because of the limitation put on the floating supply of labor which in turn would promote a higher wage scale.

Furthermore, while we try to emulate the United States in many ways, it must not be overlooked that our economic development has not been so rapid nor on such a scale as that in the United States. The Government of that country is perfectly justified in restricting immigration, if by so doing it will add to the general prosperity of the country. Canada, on the other hand, has problems which differ radically from those across the line. Therefore, the policy of following the lead of the United States in the matter of immigration, is not to be condoned. More active campaigns should be carried on by the government to attract to Canada the Eastern and Central European peasant, who are willing to settle upon and cultivate our vast areas of unoccupied brush lands.

W. J. MacKELLAR, formerly manager of the Brantford branch of Trusts and Guarantee Company, is to take charge of the newly-opened Border Cities Branch. He has successfully managed the Brantford branch for several years, following long experience at the head office in Toronto, both in the office and as travelling representative of the company.

McColl Earnings in 1926 Exceed Early Estimates

McColl Bros. will hold the annual meeting of the company at the head office in Toronto, April 19th. The directors state that the financial returns for 1926 have exceeded the estimates given when the stock was placed on the market, and must be considered as very satisfactory.

The company also announces that it will give prizes of $300, $200 and $100 to shareholders and employees sending in the best suggestions before March 1st, 1928, for the improvement and betterment of the company's business.

DUMPING IRISH LINEN IN CANADA MENACES INDUSTRY

Dominion Linen Mills Ask Federal Aid in Meeting Unfair Competition

Co-incident with the reduction of the Canadian tariff and loss of business in the United States in 1922, the Irish linen manufacturers diverted piece goods to Canada, as one of the chief markets, at more or less sacrifice prices. This has led to a situation closely akin to dumping, but against which the dumping regulations are powerless. As a consequence, Canadian producers have been operating under a great handicap for the past four years and the Dominion Linen mills, the larger of the two linen manufacturers in the country, are applying to the Tariff Board for an adjustment of tariff in order to make competition on a more equitable basis.

Established Twenty-one Years

The linen industry, established in the Dominion twenty-one years ago, was started in the full belief that all conditions necessary for successful manufacture were to be found in this country. The raw material—flax—produced in Canada is as good a quality as the Russian flax, which is produced under a similar climate and is the chief source of raw material for Irish manufacturers. In fact, Canadian flax has replaced that supply when at times it has been cut off or curtailed. The moisture, necessary for proper treatment of flax, is supplied and regulated by artificial means as much in other places as in Canada, the statement about moist Irish climate to the contrary notwithstanding. The much exploited bleaching green has now been universally superseded, except for advertising purposes, it being a strong argument for use with uninformed people in favor of the imported products. Canada in addition has a superior geographical advantage, having areas for growing its whole flax requirements, while Ireland produces only a small proportion of its raw material.

For several years after its establishment, the industry did not make any unusual headway, growth being steady and largely regulated by demand. The demands of war time activity produced rapid expansion, and by 1917, for the first time in Canada, a complete and self-contained linen industry turning Canadian flax into Canadian linen, was in operation. Under these conditions, the industry prospered greatly.

The business recession which followed the war activity, depressed the industry as it did all other Canadian industries, but, due to the peculiar position of the Canadian industry and the world producers as a whole, new and very difficult problems were presented. The old prejudices against Canadian linens have been considerably destroyed by connections established during the war times. That the Canadian government, railways, hotels and other critical linen consumers now use Canadian products, illustrates their reliability and extent of their use. In fact, it would seem that the Canadian linen industry is well fitted to continue as a peace time industry and to procure an increasing share of the Canadian market for its particular products.

This application will come up for hearing the 20th of next month and the decision will largely determine the future scale of operations of these two companies.

Print Books on P. E. I.

Natural Resources Intelligence Service, at Ottawa, of which F. C. C. Lynch is director, has published an illustrated booklet on Prince Edward Island. History, climate, government, resources and industries, are all described.

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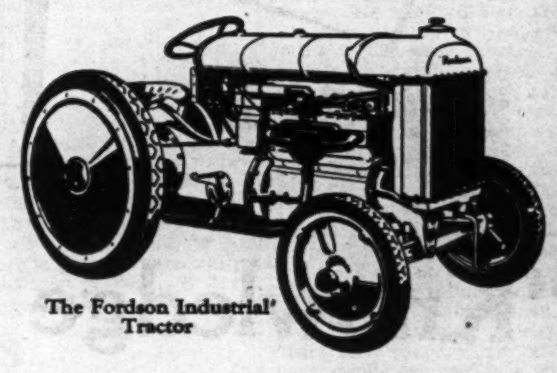

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INCOME TAX PROBLEMS

Rulings in Bond Discount

By an Income Tax Expert

PROBLEM No. 14.

Whether the amortization of bond premiums or discount is a deduction in arriving at taxable income, depends on whether the taxpayer is a trader in securities or the company issuing the bonds. In the first case, such amortization is a factor in income: in the second it is not.

Apparently, according to newspaper report, the United States Board of Tax Appeals ruled recently that sums, by which bonds were written up or down in each year, did not represent accrued income or loss sustained within the income year and that accordingly the method of accounting, including amortization of premium and discount did not reflect the true income. The question arose in the case of the Corn Exchange Bank of New York and no doubt will cause much extra labor in the accounting branches of such houses to conform to the ruling. A ruling (without calling in question the legality of this one, but merely as a statement) which incurs such extra work for these banking houses and which is contrary to the usually accepted methods of accounting is really an extra tax within itself due to the extra labor to be paid for. Further, it would seem if this ruling applies to banks insofar as they do carry on such a form of business, and it cannot be denied that they do, it would also apply to bond and investment houses. So the ruling is of very wide interest.

Such Rulings Best Avoided

It is desirable, if the law will permit, to avoid such rulings. As an example of good common sense interpretation, the writer was impressed with the decision of an English judge who in considering whether accounts receivable constitute part of the income, was being pressed with the dicta of a learned law lord, given with apologies, that "income is that which comes in," (the corollary probably being "outgo is that which goes out") and that therefore the taxpayer should not be taxed in respect of the profits inherent in accounts receivable inasmuch as the income in the receivables had not yet come in.

Levy the tax, it was argued, when the receivables are received. They are then income. It was further argued that to consider receivables as income was to ignore the law and follow accounting or convenience instead. Now that sounds very strong and is strong; almost disconcertingly so, for two reasons, first, because the cost of conforming to such a claim would be greater than the tax involved, both to the crown and the subject, and second, the crown would lose more revenue than it now does through allowing a bad debt reserve, so perish the thought.

Money Taken in Not Whole Story

The judge, however, dismissed the plea with a few words. He said:

> "But for Section 10 (referred to below) it might well be argued that, in a case of business, debts not actually received formed no part of the income at all, although, as is well known, the annual profits or gains of a trader are not properly measured by considering only the moneys taken."

The section 10 referred to provides in part:

> "No deduction in respect of income shall be allowed in respect of:
>
> "(d) Any debts, except bad debts, proved to be such to the satisfaction of the assessment committee."

which if examined is merely a negative statement as to deductions, not a definition of income at all, at best a mere inference that if on examining the definition of income you do not find "receivables" there included you must read them into the definition and then as a statutory right you shall have the right to deduct bad debts therefrom.

This negative statement as to deductions taken in conjunction with business principle, established since business had ordered and systematized means of determining profits, convinced the judge that "accounts receivable" were within the meaning and constitution of "income" and the profit inherent therein taxable, although to repeat the anomaly, they are by their very name and nature not income, as they are yet to be received. It was a sensible judgment and a striking example of reading into statutory language something that on the literal interpretation is not to be found.

Another point involved in the Corn Exchange Bank case probably was that the discount or premium claimed by way of amortization over several years was not applicable to the period but only made applicable through company accounting methods. Items of discount and premiums arise or are incurred legally, or in fact, at the beginning or expiration of the term of the bond as the case may be. It would seem, however, that in such a year a claim for allowance might be successfully maintained if such securities were traded in and were not part of the fixed capital.

Ruling of Canadian Law

Under the Canadian law if a company trades in bonds, stocks and annuities, selling them in consideration of a price received for them, they are in the same position for income tax purposes as merchandise of an ordinary trader. The cost to the seller of annuities (that is the monies annually paid out to the holders) must be deducted from the gross receipts earned by selling them just as in merchandising. Likewise premiums on bonds and discounts must be deducted, for they are the cost of the commodity inasmuch as was said in the House of Lords "the legislature intended that all traders, whether in groceries or annuities or other articles of commerce, be assessed upon the same footing."

On the other hand, what of a company that is not trading in such securities? Are the interest or the discount or the premiums considerations as deductions from or, in the case of premiums, additions to, income?

Permanent securities such as debenture bonds or borrowed capital to establish the business and outlays in respect of them are payments on account of capital and not in the earning of income nor are the discount and premium sustained in the earning of income each year. The premium is capital gain, non-taxable and the discount capital outlay, which cannot go to reducing income and nowhere throughout the Canadian Act is there mention by positive language or by negative inference of any suggestion that discount or premium be considered as other than what it is, a capital gain or loss irrespective of whether it is spread over the life of the charging instrument or not. However, we have yet to deal with interest. Section 3, subsection 1 (h) provides as a deduction:

> "Such reasonable rate of interest on borrowed capital used in the business to earn the income as the minister in his discretion may allow, notwithstanding the rate of interest payable by the taxpayer. To the extent that the interest payable by the taxpayer is in excess of the amount allowed by the minister hereunder, it shall not be allowed as a deduction. The rate of interest allowed shall not in any case exceed the rate stipulated for in the bond, debenture, mortgage, note, agreement, or other similar document, whether with or without security, by virtue of which the interest is payable."

Discount is Not Interest

If one could successfully maintain that discount is nothing more than interest, i.e., to issue bonds at 7 per cent. and get 100 for every 100 bond is the same as issuing 6 per cent. at such a discount that on the due date interest and discount equal 7 per cent. If such a contention could be sustained it would surely meet defeat in the statutory direction that:

> "The rate of interest allowed shall not in any case exceed the rate stipulated for in the bond, debenture, mortgage, or other similar document ...... by virtue of which the interest is payable."

In the result, therefore, interest stipulated for in the bond is allowed as a deduction whether payable in respect of instruments traded in or on fixed borrowed capital; while discount and premium may be amortized and deducted if, and only if, the instruments effected are traded in as a part of the taxpayer's business, but if not traded in, then whether amortized or not, the discount is not a deduction from profits and the premium is not taxable income.

Vancouver Debenture Debt and Fixed Charges Are Higher

A net increase in the debenture debt and the fixed charges thereon during 1926 is reported by the city comptroller of Vancouver. Debentures issued last year totaled $2,321,896, involving fixed charges of $209,442. Reductions in interest and sinking fund costs resulting from maturing of debentures in 1926, amounted to $73,928, leaving a net increase for the year of $135,514.

Debentures matured in 1926 amounted to $877,764, resulting in a net increase in the debenture debt of $1,444,222.

In respect to sinking funds, the comptroller reported as follows:

"At December 31, 1926, the sinking fund account showed a total of $10,532,231, including as an asset $1,679,033 due by the city, and also including $836,980 applicable to the debentures assumed by the Greater Vancouver Water District. During the year a total of $824,305 was paid in by the city for instalments, and the gross earning on investments was $485,759, while on the other hand, City of Vancouver debentures amounting to $877,764 matured and were paid off."

Last year $131,949 was appropriated from the sinking fund surplus account towards certain general by-laws to commute annual instalments. This resulted in a reduction of the city's general levy of $8,932 a year for the terms of the respective by-laws.

Surplus sinking fund earnings last year amounted to $93,258, and the total now held in the surplus account as a reserve amounted to $200,557.

Trusts and Guarantee Open New Branch at Windsor

Trusts and Guarantee Company have opened an office in Windsor. The company now has branches in Toronto, Calgary, Brantford and Windsor.

W. J. Mackellar, formerly manager of the Brantford branch, has been appointed manager at Windsor.

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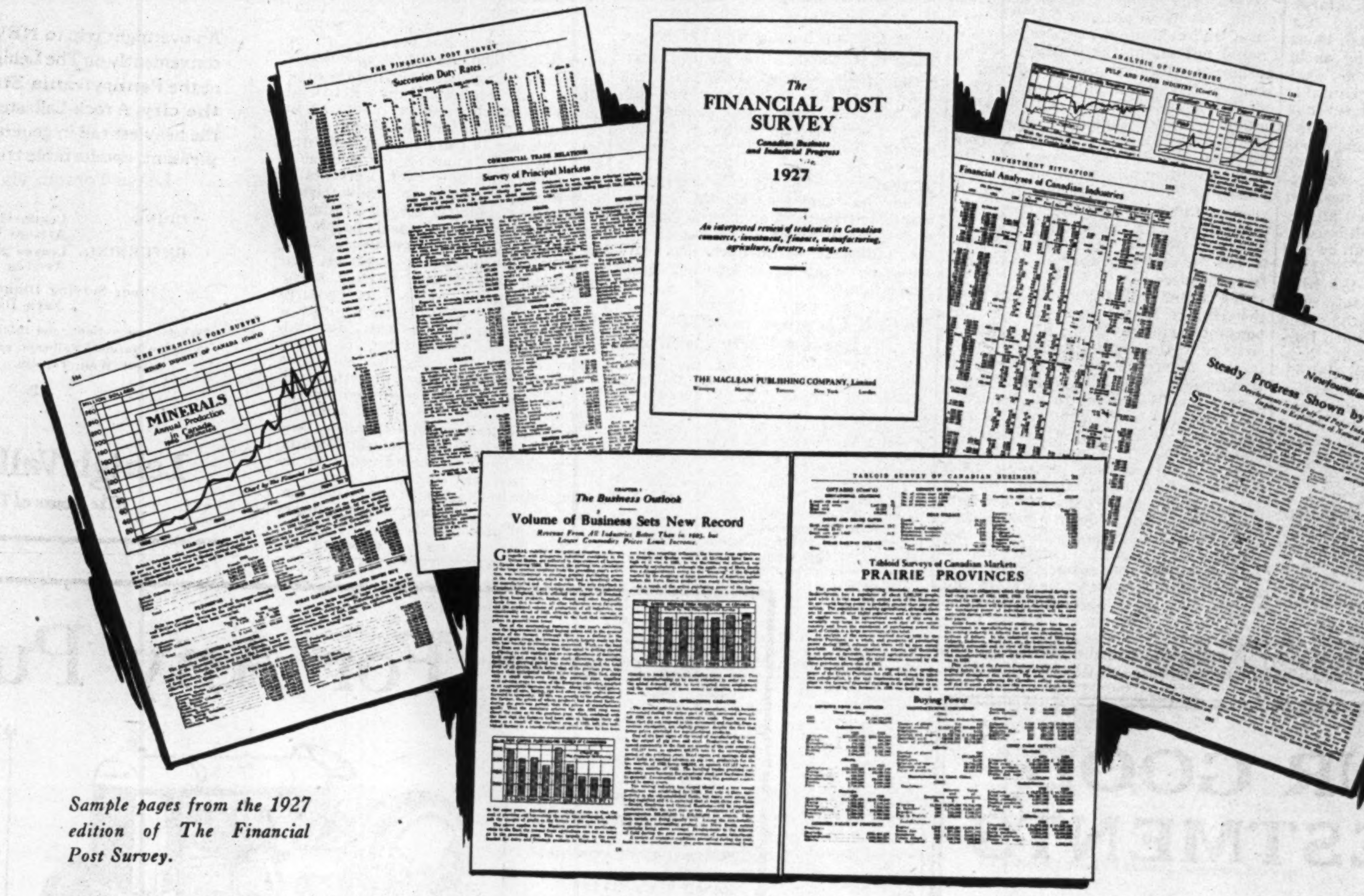
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